

भारत सरकार  
Government of India  
[कमिशन]  
Ministry of Mines

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**INDIAN BUREAU OF MINES**

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# SECTION -1

## Mineral Legislation and Policy on Export and Import of Minerals/Ores

### 1. MINERAL LEGISLATION

#### A. Amendments /Notifications:

**1. Ministry of Mines, Notification, G.S.R. 781(E).** — In pursuance of the second proviso to Sub-Section (1) of Section 4 of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Central Government hereby notifies the Andhra Pradesh Mineral Development Corporation Limited for the purposes of the second proviso to sub- Section (1) of Section 4 of the said Act:

Provided that the Andhra Pradesh Mineral Development Corporation Limited shall make over the data generated by it, in respect of the prospecting operations undertaken by it, to the State Government.

2. This notification shall come into force on the date of its publication in the Official Gazette.

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Source: The Gazette of India: Extraordinary, Part II, -3(i) dt. 14.10.2015

**2. Ministry of Mines, Notification, G.S.R. 954(E).** —In pursuance of the second proviso to sub- (1) of Section 4 of the Mines and Minerals (Development and Regulation) Act,1957 (67 of 1957),the Central Government hereby notifies the Gujarat Mineral Development Corporation Limited for the purposes of the second proviso to sub- Section (1) of Section 4 of the said Act:

Provided that the Gujarat Mineral Development Corporation Limited shall make over the data generated by it, in respect of the prospecting operations undertaken by it, to the State Government.

2. This notification shall come into force on the date of its publication in the Official Gazette.

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Source: The Gazette of India: Extraordinary, Part II, -3(i) dt. 11.12.2015

**3. Ministry of Mines, Notification, No. 35/3/2015-M.III.**— With a view to enable the Government to improve the effectiveness of the working of the Indian Bureau of Mines, the Indian Bureau of Mines Review Committee, in its Report submitted in December 1979, had recommended the formation of an Advisory Board for Indian Bureau of Mines. Accordingly the Central Government vide its Resolution No. 23012/99/80-M.VI dated the 12<sup>th</sup> January, 1981 constituted an Advisory Board for Indian Bureau of Mines.

Vide Resolution No.35/1/2011-M.III dated 3<sup>rd</sup> July, 2012 the Advisory Board had been last reconstituted. Subsequently there have been major changes in the legislative framework brought about by the MMDR (Amendment) Act 2015. In this context, the Government has decided to reconstitute the Advisory Board for the Indian Bureau of Mines in order to provide the appropriate advice to Government to equip IBM for its functioning in the new scenario.

Now, therefore, in supersession of all earlier resolutions, the Advisory Board of Indian Bureau of Mines is reconstituted with the following composition and function:-

#### COMPOSITION

##### CHAIRMAN

Secretary, Ministry of Mines.

## **MEMBERS**

1. Additional Secretary, Ministry of Mines.
2. Economic Adviser/Joint Secretary(In-charge of IBM), Ministry of Mines.
3. Director/Deputy Secretary (In-charge of IBM), Ministry of Mines.
4. Controller General, Indian Bureau of Mines, Nagpur.
5. Director General, Geological Survey of India, Kolkata.
6. Director General, Directorate of Mines Safety, Dhanbad.
7. Joint Secretary level officer of the Department of Science and Technology, New Delhi.
8. Joint Secretary level officer of the Ministry of Environment and Forest & Climate Change, New Delhi.
9. Joint Secretary level officer of the Dept.of Atomic Energy.
10. Principal Secretary/Secretary of Mines & Geology, Government of Odisha.
11. Principal Secretary /Secretary of Mines & Geology, Government of Maharashtra.
12. Principal Secretary /Secretary of Mines & Geology, Government of Gujarat.
13. Principal Secretary /Secretary of Mines & Geology, Government of Jharkhand.
14. Principal Secretary /Secretary of Mines & Geology, Government of Rajasthan.
15. Principal Secretary /Secretary of Mines & Geology, Government of Karnataka.
16. Principal Secretary /Secretary of Mines & Geology, Government of Goa.
17. Director, CIMFR, Dhanbad.
18. Director, Indian School of Mines University, Dhanbad.
19. Professor, Department of Mining, IIT, Kharagpur.
20. President, Federation of Indian Mineral Industries, NewDelhi
21. President/Secretary of Mining Sector Committee, CII
22. President/Secretary of Mining Sector Committee, FICCI
23. President/ Secretary of Mining Sector Committee, ASSOCHAM.
24. Any other member as special invitee.

## **MEMBER SECRETARY**

Technical Secretary, Indian Bureau of Mines, Nagpur.

2. The functions of the Board will be advisory in character. It will advise both the Indian Bureau of Mines and the Government. The Board will be at liberty to correspond directly with Government. The Indian Bureau of Mines will provide the Secretariat of the Board. The Board should devise its own working rules and procedures but the Government would expect it to meet at least once a year. The functions of the Board will be as follows:-

### **FUNCTIONS**

1. To review and advise on the Road Map for IBM in the changing scenario of new legislation, auctioning of mineral blocks, roll out of SDF.
2. To advise on the functioning of IBM in view of transfer of 31 minerals as minor minerals.
3. To advise on the functioning of IBM for allocation of Off Shore Blocks.
4. To advise on systems of Management Information and Management Accounting.
5. To advise on ways and means of making Indian Bureau of Mines functioning more effective.

### **TENURE**

The Advisory Board will be for two years from the date of its constitution unless the term is extended by the Government.

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Source: The Gazette of India: Extraordinary, Part II, -3(i) dt. 11.12.2015

**4. Ministry of Mines, Notification, G.S.R. 928 (E).** — In the notification of the Government of India in the Ministry of Mines number G.S.R 632(E), dated the 14th August, 2015 (the National Mineral Exploration Trust Rules, 2015) published in the Gazette of India, Extraordinary, Part II, 3, sub (i) dated the 14th August, 2015,—

- (a) at Page 7, in line 18, for “provisions of rule 8”, substitute “provisions of rule 7”;
- (b) at Page 8, in line 12, for “aerial, survey”, substitute “aerial survey”;
- (c) at Page 8, in line 24, for “policy directions the Trust”, substitute “policy directions of the Trust”;
- (d) at Page 9, in line 39, for “sub-rule (2) and (3)”, substitute “sub-rule (2)”; and
- (e) at Page 10, in line 1, for “**annual Plan**”, substitute “**annual plan**”.

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Source: The Gazette of India: Extraordinary, Part II, -3(i) dt. 03.12.2015

**5. Ministry of Mines, Notification, G.S.R. 927(E).** — In exercise of the powers conferred by Section 13 of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules, namely:-

**1. Short title and commencement.**— (1) These rules may be called the Mineral (Mining by Government Company) Rules, 2015.

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

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

- (a) “Act” means the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957);
- (b) “Government company” means a company as defined in sub-Section (45) of Section 2 of the Companies Act, 2013 (18 of 2013); and
- (c) “minerals” means minerals other than those defined as minor minerals under clause (e) of Section 3 and minerals specified in Part A and Part B of the First Schedule to the Act.

(2) Words and expressions used and not defined in these rules, but defined in the Act shall have the same meanings as assigned to them in the Act.

**3. Period of mining lease granted to Government companies or corporations before 12th January, 2015.**—(1) All mining leases for minerals granted to a Government company or corporation before the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (10 of 2015), namely, the 12<sup>th</sup> January, 2015 shall be deemed to have been granted for a period of fifty years.

(2) The State Government, upon an application made to it in this behalf by the Government company or corporation at least twelve months prior to the expiry of the mining lease, may, for reasons to be recorded in writing, extend the period of the mining lease for further periods of up to twenty years at a time.

(3) Subject to sub-rule (1), all applications made by a Government company or corporation for renewal of mining leases and which were pending as on the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (10 of 2015) shall be deemed to be applications for extension of the period of the mining lease and shall be disposed of in accordance with the provisions of sub-rule (2).

**4. Period of mining lease granted to Government companies or corporations on or after 12th January, 2015.**—

(1) All mining leases granted to a Government company or corporation for minerals shall be for a period of fifty years.

(2) A mining lease granted to a Government company or corporation in accordance with the provisions of Section 10B and Section 11 of the Act shall expire at the end of the period of fifty years and shall not be extended.

(3) The State Government, upon an application made to it in this behalf by the Government company or corporation granted a mining lease in accordance with the provisions of sub-Section (2A) and (2B) of

Section 17A of the Act, at least twelve months prior to the expiry of the mining lease, may, for reasons to be recorded in writing, extend the period of the mining lease for further periods of up to twenty years at a time.

**5. Payments by a Government company or corporation under sub- (2C) of Section 17A of the Act.–**

(1) A Government company or corporation or a joint venture, granted a mining lease in accordance with the provisions of sub-Section (2A) and (2B) of Section 17A of the Act, shall pay an amount equivalent to a percentage of the royalty paid in terms of the Second Schedule to the Act, as notified by the Central Government in each case.

(2) A Government company or corporation shall make payments to the State Government as specified under sub-rule (1).

(3) A Government company or corporation shall also pay such other amounts as may be required under any law for the time being in force to the concerned authorities, including,-

(i) royalty or dead rent to the State Government;

(ii) payment to the National Mineral Exploration Trust; and

(iii) payment to the District Mineral Foundation.

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Source: The Gazette of India: Extraordinary, Part II, -3(i) dt. 03.12.2015

**6. Ministry of Mines, Notification, G.S.R. 279(E).** — In exercise of the powers conferred by Section 13, of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules, namely:-

**CHAPTER I: PRELIMINARY**

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

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

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

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

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

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

Explanation – For the purpose of this clause, -

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

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

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

- (e) “railway” and “railway administration” have the meanings respectively assigned to them in the Indian Railways Act, 1989 (24 of 1989);
- (f) “run-of-mine” means the raw unprocessed or uncrushed material in its natural state obtained after blasting or digging, from the mineralised zone of a lease area;
- (g) “Schedule” means a Schedule appended to these rules;
- (h) “scheme of prospecting” means a scheme prepared in compliance with the Minerals (Evidence of Mineral Contents) Rules, 2015 in the format specified by Indian Bureau of Mines from time to time;
- (i) “Section” means a Section of the Act; and
- (j) “value of estimated resources” means an amount equal to the product of,-
  - (i) the estimated quantity of mineral resources for which the prospecting licence, prospecting licence-cum-mining lease or mining lease, as the case may be, is granted, expressed in metric tonne; and
  - (ii) the average price per metric tonne of such mineral as published by Indian Bureau of Mines for the relevant State for a period of twelve months immediately preceding the month of computation of the value of estimated resources.

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

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

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

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

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

Provided that the holder of such reconnaissance permit who has already made an application to the State Government for grant of a prospecting licence before the commencement



of these rules, shall not be required to submit a fresh application and his pending application shall be treated as an application made under this rule subject to the payment of fee specified in sub-rule (3).

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

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

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

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

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

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

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

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

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

- (a) obtain all consent, approval, permit, no-objection as may be required under applicable laws for commencement of prospecting operations;
- (b) submit a scheme of prospecting; and
- (c) provide a performance security to the State Government in the form of a bank guarantee in the format specified in **Schedule IV** or as a security deposit for an amount equivalent to

0.25% of the value of estimated resources, and such performance security may be invoked by the State Government in accordance with the terms and conditions of the prospecting licence.

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

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

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

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

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

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

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

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

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

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

7. **Rights of a holder of a prospecting licence to obtain a mining lease.-** (1) The holder of a prospecting licence granted (i) prior to January 12, 2015, or (ii) pursuant to rule 5 may, upon fulfilment of the conditions specified in sub-clause (i) to sub-clause (iv) of clause (b) of sub-Section (2) of Section 10A, make an application to the State Government for grant of a mining lease in the format specified in **Schedule VI**, within a period of three months after the expiry of the prospecting licence, or within such further period not exceeding six months as may be

extended by the State Government.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) The applicant in whose favour:

- (a) the State Government has issued a letter of intent (by whatever name called) in writing before January 12, 2015, for grant of a mining lease for minerals not specified in the First Schedule to the Act; or
- (b) the Central Government has communicated the previous approval in writing before January 12, 2015, under sub-section (1) of Section 5, for grant of a mining lease for minerals specified in Part C of the First Schedule to the Act,

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

(2) After receipt of letter of compliance under sub-rule (1), the State Government shall issue an order for grant of the mining lease within a period of sixty days from the date of receipt of such

letter subject to verification of fulfilment of the conditions mentioned in the letter of intent or previous approval of the Central Government, as the case may be:

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

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

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

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

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

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

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

9. **Composite licence and mining lease granted through auction.-** (1) The prospecting licence deed of the composite licence granted to a successful bidder under sub-rule (3) of rule 18 of the Mineral (Auction) Rules, 2015 shall be in the format specified in **Schedule V**.
  - (2) The mining lease deed to be executed by:
    - (a) a successful bidder under sub-rule (6) of rule 10 of the Mineral (Auction) Rules, 2015; or
    - (b) the holder of a composite licence under sub-rule (9) of rule 18 of the Mineral (Auction) Rules, 2015, shall be in the format specified in **Schedule VII**.
10. **Renewal of a prospecting licence of the composite licence -** (1) An application for renewal of a prospecting licence of the composite licence for the purpose of completing prospecting

operations shall be made at least ninety days before the expiry of the prospecting licence stage of the composite licence and shall be accompanied by a statement containing-

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

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

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

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

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

#### **CHAPTER IV: TERMS AND CONDITIONS OF MINERAL CONCESSIONS**

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

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

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

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

- (b) the licensee may, with the written permission of the State Government, carry away quantities of minerals in excess of the limits specified in **Schedule VIII**, on payment of royalty specified in the Second Schedule to the Act, for chemical, metallurgical, ore-dressing and other test purposes;
- (c) If the licensee holding a prospecting licence or a composite licence, is convicted of illegal mining and there are no interim orders of any court of law suspending the operation of the order of such conviction in appeals pending against such conviction in any court of law, the State Government may, without prejudice to any other proceedings that may be taken under the Act or the rules made thereunder, after giving such licensee an opportunity of being heard and for reasons to be recorded in writing and communicated to the licensee, cancel such prospecting licence and forfeit whole or part of the performance security;
- (d) the licensee shall, within sixty days from the date of discovery of any mineral specified in Part B of the First Schedule to the Act, apply to the Secretary, Department of Atomic Energy, Mumbai, through the State Government, for grant of a licence to handle such minerals under the provisions of the Atomic Energy Act, 1962 (33 of 1962) and the Mines and Minerals (Development and Regulation) Act 1957 (67 of 1957) and the rules made thereunder and the Department of Atomic Energy shall intimate the State Government regarding the issue of the licence in this regard;
- (e) the licensee shall restore, to the extent possible, the landform affected by prospecting operations;
- (f) the licensee shall comply with the provisions of the Act and the rules made thereunder including rules made under Section 18;
- (g) every licensee shall maintain an accurate and faithful account of all expenses incurred by him on prospecting operations and also the quantity and other particulars of all minerals obtained during such operations and their despatch;
- (h) every licensee shall clear undergrowth, brushwood and trees only with the prior written approval of the Deputy Commissioner or Collector, as the case may be, in order to make and use any drains, water courses or water on the said lands for such purposes as may be necessary for effectually carrying on the prospecting operations and for the workmen employed thereon. The licensee shall always ensure that such use shall not diminish or interfere with the supply of water to which any cultivated land, building or watering place, for livestock has been accustomed and shall ensure that its prospecting operations do not foul or pollute streams, springs or wells;
- (i) the licensee shall have the right to erect and bring upon the said lands all such temporary huts, sheds, structures, steam and other engines, machinery, conveniences, chattels and effects as may be deemed proper and necessary for effectually carrying on its prospecting operations or for the employment of workmen thereon;
- (j) save in the case of land over which the licensee has been granted a mining lease on or before the expiry or termination of the licence, as the case may be, the licensee shall within six months after the expiry or termination of the licence or date of abandonment, whichever is earlier, securely plug any borehole and fill up or fence any holes or excavations that may have been made in the lands to the extent required by the Deputy Commissioner or Collector, as the case may be. The licensee shall also restore the surface of the land and all buildings thereon which may have been damaged or destroyed in the course of its

prospecting operations, provided that it shall not be required to restore the surface of the land or any building in respect of which full and proper compensation has already been paid by it;

- (k) failure on the part of the licensee to fulfil any of the terms and conditions hereunder or under the prospecting licence shall not give the Central Government or State Government any claim against the licensee or be deemed a breach of the licence, in so far as such failure is considered by the relevant Government to arise from force majeure. In the event of any delay by the licensee to fulfill any of the terms and conditions hereunder or under the prospecting licence on account of a force majeure event, the period of such delay shall be added to the period fixed by these rules or the prospecting licence.

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

- (l) the licensee shall, on the expiry or termination of the licence or the abandonment of the prospecting operations, whichever is earlier, remove expeditiously at his own cost, all buildings, structures, plant, engines machinery, implements, utensils and other property and effects erected or brought by the licensee and standing or situated on the said lands together with all minerals won by the licensee and situated on the said land, provided that it shall not be required to remove any of the above from any part of the said lands which may be comprised in any mining lease granted to the licensee during the subsistence of the prospecting licence.

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

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

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

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



- (h) filing of civil suits or petitions relating to disputes arising out of the area under prospecting licence:

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

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

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

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

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

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

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

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

- (b) the lessee shall also pay for the surface area used by him for the purposes of mining operations, surface rent and water rate at such rate not exceeding the land revenue, water and cess assessable on the land, as may be specified by the State Government from time to time;
- (c) the lessee shall commence mining operations within two years from the date of execution of the lease deed and shall thereafter conduct such operations in a proper, skillful and workman-like manner.

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

- (d) the lessee shall not carry on or allow to be carried on, any mining operations at any point within a distance of fifty meters from any railway line, except under and in accordance with the previous written permission of the railway administration concerned or under or

beneath any ropeway or ropeway trestle or station, except under and in accordance with the written permission of the authority owning the ropeway or from any reservoir, canal or other public works, or buildings, except under and in accordance with the previous written permission of any officer authorised by the State Government in this behalf. The said distance of fifty meters shall be measured in the case of railway, reservoir or canal, horizontally from the outer toe of the bank or the outer edge of the cutting, as the case may be, and in case of a building, horizontally from the plinth thereof;

- (e) the lessee shall not, in the case of village roads (including any track shown in the revenue record as village road), allow any working to be carried on within a distance of ten meters of the outer edge of the cutting except with the previous permission of the Deputy Commissioner or Collector or any other officer duly authorised by the State Government in this behalf and otherwise than in accordance with such directions, restrictions and additions, either general or special, which may be attached to such permission;
- (f) the lessee shall keep accurate and faithful accounts showing the quantity and other particulars of (i) all minerals obtained and dispatched from the mine, and (ii) waste material excavated from the mine, the number and nationality of persons employed therein, and complete plans of the mine, and shall allow any officer authorised by the Central Government or the State Government in this behalf to examine at any time any accounts, plans and records maintained by him and shall furnish the Central or the State Government with such information and returns as it or any officer authorised by it in this behalf may require;
- (g) the lessee shall keep accurate records of all trenches, pits and drillings made by the lessee in the course of mining operations carried on by the lessee under the lease and shall allow any officer authorised by the Central or the State Government to inspect the same. Such records shall contain the following particulars, namely:
  - (i) the subsoil and strata through which such trenches, pits or drillings pass;
  - (ii) details of any mineral encountered; and
  - (iii) such other particulars as the Central or the State Government may from time to time require;
- (h) the lessee shall allow any officer authorised by the Central or the State Government to enter upon any building, excavation or land comprised in the lease for the purpose of inspecting the same;
- (i) the State Government shall at all times have the right of pre-emption of the minerals won from the land in respect of which the lease has been granted:

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

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

not use or sell the mineral or deal with it in whatsoever manner or knowingly allow anyone to use or sell the mineral or deal with it in whatsoever manner as a minor mineral:

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

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

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

- (t) the State Government or any lessee or person authorised by it in that behalf by the State Government shall have the right to enter into and upon the leased lands and to construct upon, over or through the same, any railways, tramways, roadways or pipelines for any

purpose authorized by the State Government and to get from the said lands, stones, gravel, earth and other materials for making, maintaining and repairing such railways, tramways, roads or any existing railways and roads; and

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

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

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

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

- (w) the lessee shall make and pay such compensation as may be assessed by lawful authority in accordance with the law in force on the subject for all damage, injury or disturbance which may be caused by the lessee in exercise of the powers granted to him and shall indemnify and keep indemnified, fully and completely, the State Government against all claims which may be made by any person or persons in respect of any such damage, injury or disturbance and all costs and expenses in connection therewith;
- (x) the lessee shall strengthen and support to the satisfaction of the railway administration concerned or the State Government, as the case may be, any part of the mine which, in his opinion, requires such strengthening or support for the safety of any railway, reservoir, canal, road and any other public works or structures;
- (y) the lessee shall send to the Deputy Commissioner or Collector, without delay, a report of any accident causing death or serious bodily injury or serious injury to property or seriously affecting or endangering life or property which may occur in the course of its mining operations;
- (z) the lessee shall maintain a copy of the mining plan at the mine office situated in the leased area;
- (aa) the lessee shall not employ, in connection with the mining operations, any person who is not an Indian national except with the previous approval of the Central Government;
- (bb) the lessee shall allow any officer authorised by the Central Government or the State Government to inspect the leased area at all reasonable times and shall also supply, on demand of the State Government, the Director General, Geological Survey of India or the Controller General, Indian Bureau of Mines, all applicable plans and s of the leased area as also the quantity of reserves quality-wise;
- (cc) the lessee shall, unless specifically exempted by the State Government, provide and at all times keep at or near the pit head or each of the pit heads at which the minerals shall be brought to bank, a properly constructed and efficient weighing system / mechanism and shall weigh or cause to be weighed thereon all the said minerals, from time to time, brought to bank, sold, exported and converted and also the converted products. The lessee shall at the close of each day cause the total weights, ascertained by such means of the said minerals, ores products raised, sold, exported and converted during the previous twenty four hours, to be entered in the books of accounts maintained by the lessee. The lessee shall at all times during the term of the lease, permit the State Government to employ any person or persons to be present at the weighing of the said minerals as aforesaid and to keep accounts thereof and to check the accounts kept by the lessee. The lessee shall give seven days previous notice in writing to the Deputy Commissioner/Collector of every such measuring or weighing in order that he or some officer on his behalf may be present thereat;
- (dd) the lessee shall at any time or times during the term of the lease, allow any person or persons appointed in that behalf by the State Government to examine and test every weighing machine to be provided and kept as aforesaid and the weights used therewith in order to ascertain whether the same respectively are correct and in good repair and order. If upon any such examination or testing, any such weighing machine or weights shall be found incorrect or out of repair or order, the State Government may require that the same be adjusted, repaired and put in order by and at the expense of the lessee. If such requisition is not complied with within fourteen days after the same has been made, the State

Government may cause such weighing machine or weights to be adjusted, repaired and put in order at the expense of the lessee. If upon any such examination or testing as aforesaid, any error is discovered in any weighing machine or weights to the prejudice of the State Government, such error shall be regarded as having existed for three calendar months prior to the discovery thereof or from the last occasion of so examining and testing the same weighing machine and weights, in case such occasion is within the said period of three months, and the lessee shall pay the rent and royalty accounted for accordingly;

- (ee) if the lessee fails to carry out or perform any of its obligations hereunder or under the lease deed within the time specified in that behalf, the State Government may cause the same to be carried out or performed and the lessee shall pay the State Government, on demand, all expenses incurred in this regard by the State Government and the decision of the State Government as to such expenses shall be final;
- (ff) failure on the part of the lessee to fulfil any of the terms and conditions of the Act and rules made thereunder or under the mining lease shall not give the Central Government or State Government any claim against the lessee or be deemed a breach of the lease, in so far as such failure is considered by the relevant Government to arise from force majeure. In the event of any delay by the lessee to fulfill any of the terms and conditions of the Act and rules made thereunder or under the mining lease on account of a force majeure event, the period of such delay shall be added to the period fixed by these rules or the mining lease.

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

- (gg) the lessee may, after paying the rents, rates and royalties payable under the Act and rules made thereunder or under the lease deed, at the expiry or sooner termination of the lease term or within six calendar months thereafter (unless the lease is terminated for default of the lessee, and in that case at any time not less than three calendar months nor more than six calendar months after such termination) take down and remove for its own benefit, all or any ore mineral excavated during the currency of the lease, engines, machinery, plant, buildings structures, tramways, railways and other works, erections and conveniences which may have been erected, set up or placed by the lessee in or upon the leased lands and which the lessee is not bound to deliver to the State Government or which the State Government does not desire to purchase;
- (hh) if at the end of six calendar months after the expiry or sooner termination of the lease term there shall remain in or upon the leased land, any ore or mineral, engines, machinery, plant, buildings structures, tramways, railways and other work, erections and conveniences or other property which are not required by the lessee in connection with operations in any other lands held by it under prospecting licence or mining lease, the same shall, if not removed by the lessee within one calendar month of being notified to do so by the State Government, be deemed to become the property of the State Government and may be sold or disposed of in such manner as the State Government shall deem fit without liability to pay any compensation or to account to the lessee in respect thereof.

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

Provided that the holder of a mining lease granted through auction may win and dispose

the mineral discovered only after inclusion of such discovered mineral in the mining lease deed:

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

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

- (a) the time-limit, mode and place of payment of rents and royalties;
- (b) compensation for damage to land in respect of which the lease has been granted;
- (c) restrictions regarding felling of trees on unoccupied and unreserved Government land;
- (d) the restriction of surface operations in any area prohibited by any authority;
- (e) the notice by lessee for surface occupation;
- (f) the provision of proper weighing machines;
- (g) facilities to be given by the lessee for working other minerals in the leased area or adjacent area;
- (h) the entering and working in a reserved or protected forest;
- (i) the securing of pits and shafts;
- (j) the reporting of accidents;
- (k) indemnity to Government against the claim of a third party for any damage, injury or disturbance caused to him by the lessee;
- (l) the delivery of possession of lands and mines on the surrender, expiration or termination of the lease;
- (m) the time limit for removal of mineral, ore, plant, machinery and other properties from the lease hold area after expiration, termination, surrender or abandonment of the mining lease;
- (n) the forfeiture of property left after termination of the lease;
- (o) the power to take possession of the plant, machinery, premises and mines in the event of war or emergency; and
- (p) filing of civil suits or petitions relating to disputes arising out of the area under lease:

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

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

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

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

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

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

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

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

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

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

13. **Mining Plan.**- (1) No mining operations shall be undertaken except in accordance with a mining plan, which:
- (a) has been approved by any officer of the Indian Bureau of Mines duly authorised in writing by the Controller General, Indian Bureau of Mines, pursuant to clause (b) of sub-section (2)



of Section 5 and in accordance with rules 15, 16 and 17 of these rules; or

- (b) is in accordance with the system established by the State Government for preparation, certification and monitoring of the mining plan pursuant to the proviso to clause (b) of sub-section (2) of Section 5.

(2) The mining plan shall incorporate:-

- (a) the plan of the lease hold area showing the nature and extent of the mineral body, spot or spots where the mining operations are proposed to be based on the prospecting data gathered by the applicant or any other person;
- (b) details of the geology and lithology of the area including mineral resources and reserves of the area;
- (c) details of proposed exploration programme;
- (d) the details of mode of mining operation indicating method of excavation, drilling and blasting, handling of waste and mineral rejects, use of mineral and beneficiation of minerals, site-services, employment-potential;
- (e) environment management plan indicating baseline information, impact assessment and mitigation measures;
- (f) a tentative scheme of mining and annual programme and plan for excavation from year to year for five years;
- (g) a tentative estimate about accretion of mine waste and its manner and mode of disposal and confinement;
- (h) manner of mineral processing and mineral up-gradation, if any, including mode of tailing disposal;
- (i) a progressive mine closure plan as defined in rules made under Section 18; and
- (j) any other matter which the Central Government or the Indian Bureau of Mines may require the applicant to provide in the mining plan.

(3) The mining plan shall be made in accordance with a manual prepared by the Indian Bureau of Mines, in this regard.

14. **System to be established by the State Government for mining plan.**- (1) The system to be established by the State Government for preparation, certification and monitoring of the mining plan pursuant to the proviso to clause (b) of sub-section (2) of Section 5, shall be submitted to the Central Government for seeking its previous approval.

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

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

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

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

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

(a) a degree in mining engineering or a post-graduate degree in geology granted by a university established or incorporated by or under a Central Act, a Provincial Act or a State Act, including any institutions recognised by the University Grants Commission under Section 4 of the University Grants Commission Act, 1956 (3 of 1956) or any equivalent qualification granted by any university or institution outside India and recognised by Government of India; and

(b) professional experience of five years of working in a supervisory capacity in the field of mining after obtaining the degree.

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

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

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

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

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

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

Provided that the aforesaid period of ninety days shall be applicable only if the mining plan is complete in all respects, and in case of any modifications subsequently suggested by the Indian Bureau of Mines after the initial submission of the mining plan for approval, the said period shall be applicable from the date on which such modifications are carried out and submitted afresh to the approving authority of Indian Bureau of Mines.

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

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

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

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

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

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

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

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

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

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

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

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

## CHAPTER VI: EXPIRY OF A MINING LEASE

18. **Auction post expiry of a mining lease.-** On the expiry of the lease period, the mining lease shall be put up for auction as per the procedure specified in the Act and rules made thereunder.

19. **Right of first refusal.-** (1) The holder of a mining lease granted for captive purpose shall have the right of first refusal at the time of auction held for such lease after the expiry of the lease period in the following manner:

(a) to be eligible to exercise the right of first refusal, the lessee shall comply with the

conditions of the mining lease, the Act and the rules made thereunder till its expiry;

- (b) prior to publication of the notice inviting tender, the State Government shall give a notice to the lessee requiring the lessee to specify his willingness or non-willingness to exercise the right of first refusal in writing, within a period of thirty days of receipt of such notice;
- (c) the notice inviting tender shall specify that the lessee holding the lease prior to expiry of the mining lease has the right of first refusal and shall also specify his willingness or non-willingness specified pursuant to sub-clause (b), if any;
- (d) upon conclusion of the second round of auction, the State Government shall issue a notice to the lessee seeking written confirmation of his willingness to exercise the right of first refusal within a period of seven days of conclusion of the second round of auction;
- (e) the notice given under clause (d) shall be acknowledged by the lessee and who shall, within a period of fifteen days of receipt of the notice issued under clause (d), exercise the right of first refusal in writing to the State Government, failing which it shall be construed that the lessee is not desirous of exercising the right of first refusal and the preferred bidder shall be entitled to a mining lease in the manner provided in the Mineral (Auction) Rules, 2015; and
- (f) if the lessee exercises the right of first refusal in terms of clause (e) and matches the highest final offer price, the lessee shall be deemed to be the preferred bidder in place of the earlier preferred bidder declared after the second round of auction and shall be entitled to the mining lease in the manner provided in the Mineral (Auction) Rules, 2015.

## **CHAPTER VII: LAPSE, SURRENDER OR TERMINATION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) the lessee has submitted documents to evidence implementation of the approved final mine closure plan; and

(b) all dues with respect to the mining lease have been settled.

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

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

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

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

#### CHAPTER VIII: TRANSFERS

23. **Transfer of mining lease or prospecting licence-cum-mining lease granted through auction.-**

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

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

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

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

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

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

(5) All transfers effected under this rule shall be subject to the condition that the transferee has

accepted all the conditions and liabilities under any law for the time being in force which the transferor was subject to in respect of such a mining lease or prospecting licence-cum-mining lease, as the case may be.

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

(7) The transferor and the transferee shall jointly submit a duly registered deed in the format specified in **Schedule X**, or a format as near thereto as possible, namely the “transfer deed”, within a period of thirty days from the date of (i) receipt of a letter of approval from the State Government as specified in sub-rule (4); or (ii) expiry of period after which it is construed that the State Government has no objection to such transfer pursuant to the first proviso to sub-rule (4), as the case may be.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Provided that the lessee shall be obligated to:

- (a) comply with the provisions of the rules made under Section 18;



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

## CHAPTER X : REVISION

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

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

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

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

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

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

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

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

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

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

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

## CHAPTER XI: ASSOCIATED MINERALS

37. **Associated minerals.-** The following shall be the group of associated minerals for the purposes of 6 Section namely:-

(a) Apatite, Beryl, Cassiterite, Columbite, Emerald, Felspar, Lepidolite, Pitchblende, Samarskite, Scheelite, Topaz, Tantalite, Tourmaline.

(b) Iron, Manganese, Titanium, Vanadium and Nickel minerals.

(c) Lead, Zinc, Copper, Cadmium, Arsenic, Antimony, Bismuth, Cobalt, Nickel, Molybdenum

and Uranium minerals, and Gold and Silver, Arsenopyrite, Chalcopyrite, Pyrite, Pyrrhotite and Pentlandite.

- (d) Chromium, Osmiridium, Platinum and Nickel minerals.
- (e) Kyanite, Sillimanite, Corundum, Dumortierite and Topaz.
- (f) Gold, Silver, Tellurium, Selenium and Pyrite.
- (g) Fluorite, Chalcocite, Selenium and minerals of Zinc, Lead and Silver.
- (h) Tin and Tungsten minerals.
- (i) Limestone and Magnesite.
- (j) Ilmenite, Monazite, Zircon, Rutile, Leucoxene, Garnet and Sillimanite.
- (k) Sulphides of Copper and Iron.
- (l) Magnetite and Apatite.
- (m) Magnesite and Chromite.
- (n) Celesite and Phosphatic Nodules.

## CHAPTER XII: MINERALS VALUATION

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

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

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

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

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

(4) Wherever the Act specifies that the royalty in respect of any mineral is to be paid based on London Metal Exchange or London Bullion Market Association price, the royalty shall be calculated at the specified percentage of the average sale price of the metal for the month as

published by the Indian Bureau of Mines, for the metal contained in the ore removed or the total by-product metal actually produced, as the case may be, of such mineral for the month.

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

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

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

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

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

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

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

(a) where export has occurred, the free-on-board (F.O.B) price of the mineral less the actual expenditure incurred beyond the mining lease area towards transportation charges by road, loading and unloading charges, railway freight (if applicable), port handling charges/export duty, charges for sampling and analysis, rent for the plot at the stocking yard, handling charges in port, charges for stevedoring and trimming, any other incidental charges incurred outside the mining lease area as notified by the Indian Bureau of Mines from time-to-time, divided by the total quantity exported.

(b) where domestic sale has occurred, sale value of the mineral less the actual expenditure incurred towards transportation, loading, unloading, rent for the plot at the stocking yard, charges for sampling and analysis and any other charges beyond mining lease area as notified by the Indian Bureau of Mines from time-to-time, divided by the total quantity sold.

- (c) where sale has occurred, between related parties and/or where the sale is not on arms' length basis, then such sale shall not be recognized as a sale for the purpose of this rule and in such case, sub-clause (d) shall be applicable.
- (d) where sale has not occurred, the average sale price published monthly by the Indian Bureau of Mines for that mineral grade / concentrate for a particular State:

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

(3) The average sale price of any mineral grade/concentrate in respect of a month shall be the weighted average of the ex-mine prices of the non-captive mines, computed in accordance with the above provisions, the weight being the quantity dispatched from the mining lease area of mineral grade / concentrate relevant to each ex-mine price.

- 43. **Publication of average sale price.-** The Indian Bureau of Mines shall publish the average sale price of each mineral grade/concentrate removed from the mining leases in a month in a State within 45 days from the due date for filing the monthly returns as required under the Mineral Concession Development Rules, 1988.
- 44. **Average sale price of metal.-** The Indian Bureau of Mines shall publish every month, the average sale price of the metal in Indian Rupees in the manner specified below.
  - (i) In respect of Aluminium, Copper, Lead, Nickel, Tin, and Zinc, the settlement price of London Metal Exchange for the said metals available during all the days of the month shall be multiplied by the reference rate, for the day, of the Reserve Bank of India, for the currency in which the price is obtained.
  - (ii) In respect of Gold and Silver, the London Bullion Market Association auction price shall be taken.
  - (iii) Where the Reserve Bank of India reference rate is not available for any day on which the London Metal Exchange / London Bullion Market Association price is available, the Reserve Bank of India reference rate for the immediately preceding day shall be used.
  - (iv) The simple average for the month of the daily prices of the metal worked out in Indian Rupees as specified above shall be published by the Indian Bureau of Mines as the average sale price of the said metal for that month.
- 45. **Formula for calculating average sale price for metallurgical grade Bauxite to be used in alumina and aluminium extraction, Limestone, Tungsten.-** (1) The State Government shall arrive at the average sale price of metallurgical Bauxite in the following manner:

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

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

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

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

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

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

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

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

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

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

### CHAPTER XIII: PAYMENTS

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

### CHAPTER XIV: COMPENSATION

52. **Payment of compensation to owner of surface rights etc.-** (1) The holder of a mineral concession shall be liable to pay to the occupier of the surface of the land over which he holds the concession, such annual compensation as may be determined by an officer appointed by the State Government by notification in this behalf in the manner provided in sub-rules (2) to (4).
- (2) In the case of agricultural land, the amount of annual compensation shall be worked out on the basis of the average annual net income from the cultivation of similar land for the previous three years.
- (3) In the case of non-agricultural land, the amount of annual compensation shall be worked out on the basis of average annual letting value of similar land for the previous three years.
- (4) The annual compensation referred to in sub-rule (1) shall be payable on or before such date as may be specified by the State Government in this behalf.
53. **Assessment of compensation for damage.-** (1) After the cessation of mining activities as a consequence of expiry, lapsing, surrender or termination of a mineral concession, the State Government shall assess the damage, if any, done to the land by the reconnaissance or prospecting or mining operations, as the case may be, and shall determine the amount of compensation payable by the mineral concession holder, as the case may be, to the occupier of the surface land.
- (2) Every such assessment shall be made within a period of one year from the date of cessation of mining activities as a consequence of expiry, lapsing, surrender or termination of the mineral concession and shall be carried out by an officer appointed by the State Government by notification in this behalf.

## CHAPTER XV: PENALTY

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

## CHAPTER XVI: REPEAL AND SAVING

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

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

## CHAPTER XVII: MISCELLANEOUS

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

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

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

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

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

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

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



60. **Lessor to supply certain information to the lessee.-** Where any area has previously been held under a mineral concession, the person who was granted such concession shall make available to the new concession holder the original or certified copies of all plans including abandoned workings in that area.
61. **Change of name, nationality, etc. to be intimated.-** (1) An applicant for, or the holder of a mineral concession shall intimate to the State Government within sixty days any change that may take place in his name, nationality or other particulars furnished to the State Government.
- (2) If the holder of a mineral concession fails without sufficient cause to furnish the information referred to in sub-rule (1), the State Government may impose a fine which may extend to five lakh rupees and in the case of continued contravention of the provisions of sub-rule (1) the State Government may terminate the mineral concession:
- Provided that no such order shall be made without giving the concession holder a reasonable opportunity of stating his case.
62. **Previous approval of the Central Government or relaxation from the Central Government to be obtained through State Government.-** Where in any case, previous approval of the Central Government or relaxation from the Central Government is required under the Act or rules made thereunder, the application for such approval shall be made to the Central Government through the State Government.
63. **Facilities for training of students.-** (1) Every owner, agent or manager of a mine shall permit researchers or students of mining, geological and mineral processing institutions approved by the Central Government or State Government to conduct research or acquire practical training of the mines and plants operated by them and provide all necessary facilities required for the training of such students.
- (2) Applications for research or training from students of institutions teaching mining, geology or mineral processing shall be forwarded to the owner, agent or manager of a mine through the Principal or Head of the Institution.
- (3) Cases of refusal to provide facilities for research or practical training by any owner, agent or manager of a mine shall be referred to the Controller General, Indian Bureau of Mines for his decision within a period of thirty days.
64. **Geophysical data to be supplied to the Geological Survey of India and the Department of Atomic Energy.-** (1) A mineral concession holder shall furnish –
- (a) all geophysical data relating to prospecting or mining fields or engineering and ground water surveys, such as anomaly maps, s, plans, structures, contour maps, logging collected by him during the course of reconnaissance or prospecting or mining operations, to the Director General, Geological Survey of India, Calcutta and the Director of Geology and Mining of the State (by whatever name called) in which the reconnaissance or prospecting or mining operations are carried on.
- (b) all information pertaining to incidental investigations of atomic minerals discovered and stacked by him during the course of reconnaissance or prospecting or mining operations to the Director, Atomic Minerals Directorate for Exploration and Research, Hyderabad, and to the Director of Geology and Mining of the State (by whatever name called), in which the reconnaissance or prospecting or mining operations are carried on.

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

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

- (a) if the holder of a mineral concession discovers any atomic mineral in the area granted under concession, not specified in the concession, discovery of such mineral shall be reported to the Director, Atomic Minerals Directorate for Exploration and Research, Hyderabad within thirty days from the date of discovery of such mineral;
- (b) the concession holder shall not win and dispose of such atomic mineral and the same shall be dealt with in the manner prescribed in the rules made under Section 11B;
- (c) the quantities of atomic minerals recovered incidental to such prospecting / mining operations shall be collected and stacked separately and a report to that effect shall be sent to the Secretary, Department of Atomic Energy, Mumbai and the Director, Atomic Minerals Directorate for Exploration and Research, Hyderabad every three months for such further action by the concession holder as may be directed by the Atomic Minerals Directorate for Exploration and Research or the Department of Atomic Energy.

66. **Lease period for more than one mineral in an area.-** Where more than one mineral is found in an area granted through auction, the period of lease for all minerals shall be coterminus with that for which the lease was originally granted.

67. **Issue of notification where prospecting operations are to be undertaken.-** (1) Where a prospecting operation is to be undertaken by the Geological Survey of India, the Indian Bureau of Mines, the Atomic Minerals Division of the Department of Atomic Energy of the Central Government, the Directorate of Mining and Geology of any State Government (by whatever name called), or the Mineral Exploration Corporation Limited, a Government Company within the meaning of clause (45) of Section 2 of the Companies Act, 2013 (18 of 2013), and any such entity that may be notified for this purpose by the Central Government, the State Government shall issue a notification in the official Gazette giving details of the area, and the period for which prospecting operations are to be undertaken.

(2) The State Government shall not grant any mineral concession to any other person for an area or a part thereof in relation to which a notification has been issued under sub-rule (1).

(3) The State Government may revoke a notification issued under sub-rule (1), if the prospecting operations have been completed before the expiry of the period stated in the notification.

68. **Prospecting or mining operation by State Governments.-** A State Government may, after prior consultation with the Central Government and in accordance with the rules made under Section 18, undertake reconnaissance, prospecting or mining operations of any mineral listed in Part C of the First Schedule to the Act in any area within that State which is not already held under any mineral concession:

Provided that in such a case the State Government shall issue a notification in the Official Gazette giving details of the area and the period for which such operations are proposed to be undertaken:

Provided further that, if the State Government fails to undertake reconnaissance, prospecting or mining operations within the period mentioned in the notification, the notification

so issued shall lapse at the expiry of the said period unless the period is extended by a fresh notification.

69. **Boundaries below the surface.**- The boundaries of the area covered by a mining lease shall run vertically downwards below the surface towards the centre of the earth.
70. **Pending Applications.**- An application pending at the commencement of these rules, which is not inconsistent with the Act and rules made thereunder shall be disposed of in accordance with the provisions of these rules.

## SCHEDULE I

[See rule 5(1)]

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

To

[Address]

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

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

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

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

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

Yours faithfully,

Place:

Date:

**Signature of the applicant**

**Instructions to applicants:**

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

Provided that in case the applicant is a firm or association of individuals, such certificate shall be furnished by all partners of the firm, or as the case may be, all members of the association

of individuals:

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

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

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

**SCHEDULE II**

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

**FORMAT OF ACKNOWLEDGEMENT REGARDING RECEIPT OF AN APPLICATION**

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

Ref:

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

Enclosures:

(1).....

(2).....

Place:

Date:

Signature and designation of Receiving Officer



**SCHEDULE III**

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

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

To

[Address]

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

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

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

Yours faithfully,

Place:

Date:

**Signature of the applicant**

**Instructions to applicants:**

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

## SCHEDULE IV

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

### FORMAT OF BANK GUARANTEE FOR PERFORMANCE SECURITY

[Reference number of the bank]

[Date]

To

The Governor of [Name of State]

[address]

#### WHEREAS

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

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

- B. The Performance Security is required to be provided to **The Governor of [Name of State]**, (the “State”) for discharge of certain obligations under the [reference to the principal documents – prospecting licence/mining lease, mine development and production agreement] dated, [date] with respect to [particulars of concession] (collectively the “Concession Document”).
- C. We, [name of the bank] (the “Bank”) at the request of the Applicant do hereby undertake to pay to the State an amount not exceeding INR [figures] (Indian Rupees [words]) (“Guarantee Amount”) to secure the obligations of the Applicant under the Concession Document on demand from the State on the terms and conditions herein contained herein.

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

1. The Bank for the purpose hereof unconditionally and irrevocably undertakes to pay to the State without any demur, reservation, caveat, protest or recourse, immediately on receipt of first written demand from the State, a sum or sums (by way of one or more claims) not exceeding the Guarantee Amount in the aggregate without the State needing to prove or to show to the Bank grounds or reasons for such demand for the sum specified therein and notwithstanding any dispute or difference between the State and Applicant on any matter whatsoever. The Bank undertakes to pay to the State any money so demanded notwithstanding any dispute or disputes raised by the Applicant in any suit or proceeding pending before any court or tribunal relating thereto the Bank’s liability under this present being absolute and unequivocal.
2. The Bank acknowledges that any such demand by the State of the amounts payable by the Bank to the State shall be final, binding and conclusive evidence in respect of the amounts payable by Applicant to the State under the Concession Document.

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

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

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

5. Any payment made hereunder shall be made free and clear of and without deduction for, or on account of, any present or future taxes, levies, imposts, duties, charges, fees, commissions, deductions or withholdings of any nature whatsoever.
6. The Bank agrees that State at its option shall be entitled to enforce this Guarantee against the Bank, as a principal debtor in the first instance without proceeding at the first instance against the Applicant.
7. The Bank further agree that the guarantee herein contained shall remain in full force and effect during the period that specified in the Concession Document and that it shall continue to be enforceable till all the obligations of the Applicant under or by virtue of the said Concession Document with respect to the Performance Security have been fully paid and its claims satisfied or discharged or till the State certifies that the terms and conditions of the Concession Document with respect to the Performance Security have been fully and properly carried out by the Applicant and accordingly discharges this guarantee. Notwithstanding anything contained herein, unless a demand or claim under this guarantee is made on the Bank in writing on or before the Expiry Date the Bank shall be discharged from all liability under this guarantee thereafter.
8. The payment so made by the Bank under this Guarantee shall be a valid discharge of Bank's liability for payment thereunder and the State shall have no claim against the Bank for making such payment.
9. This Guarantee is subject to the laws of India. Any suit, action, or other proceedings arising out of this Guarantee or the subject matter hereof shall be subject to the exclusive jurisdiction of courts at the State of [respective State].
10. The Bank has the power to issue this Guarantee in favour of the State. This guarantee will not be discharged due to the change in the constitution of the Bank
11. The Bank undertakes not to revoke this Guarantee during its currency except with the previous consent of the State in writing.

12. The State may, with prior intimation to the Bank, assign the right under this Guarantee to any other departments, ministries or any governmental agencies, which may act in the name of the Governor. Save as provided in this Clause 12, this Guarantee shall not be assignable or transferable.
13. Notwithstanding anything contained herein,
  - a. the liability of the bank under this bank guarantee shall not exceed the Guarantee Amount.
  - b. This bank guarantee shall be valid up to the Expiry Date.
14. The Bank is liable to pay the guaranteed amount or any part thereof under this bank guarantee only and only if the State serves upon the Bank a written claim or demand on or before the Expiry Date.

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

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

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Name and Designation)

(Bank Stamp)

## SCHEDULE V

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

### FORMAT OF PROSPECTING LICENCE

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

#### PARTIES:

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

AND

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

#### BACKGROUND:

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

#### 1. DEFINITIONS

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

#### 2. GRANT OF LICENCE

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

#### 3. RIGHTS AND OBLIGATIONS

- 3.1. The rights and obligations of the State Government and the Licencee shall be as specified in the Act and the rules made thereunder, including without limitation the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2015.

3.2. Without prejudice to the generality of the foregoing,

(a) the Licencee shall:

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

(b) the State Government shall:

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

over and along such roads, tramways, railways and ropeways for all purposes and as occasion shall require;

- (ii) have the right to appropriate any performance security provided by the Licencee in accordance with terms of such performance security and require the Licencee to replenish the performance security. In case the performance security has been provided through a security deposit after termination of the Licence and fulfilment of all obligations of the Licencee, such security deposit shall be returned to the Licencee after appropriate deductions. It is clarified that the security deposit shall not carry any interest; and
  - (iii) have the right to carry out or perform any work or matters which in accordance with the covenants in that behalf are to be carried out or performed by the Licencee, but have not been so carried out or performed within the time specified in that behalf, and the Licencee shall pay the State Government on demand all expenses which shall be incurred in such carrying out or performance of the same.
- 3.3. If the State Government is desirous of exercising its right of pre-emption with respect to any mineral(s) the State Government shall pay the average sale price of such minerals as published by IBM prevailing at the time of pre-emption.
- 3.4. In the event of the existence of a state of war or emergency (of which existence the President of India shall be the sole judge and a notification to this effect in the Gazette of India shall be conclusive proof) the State Government with the consent of the Central Government shall from time to time and at all times during the said term have the right (to be exercised by a notice in writing to the licensee/licencees) forthwith take possession and control of the works, plant, machinery and premises of the Licencee on or in connection with the Licence Area or the operations under this Licence and during such possession or control, the Licencee shall conform to and obey all directions given by or on behalf of the Central or State Government regarding the use of employment of such works, plants, premises and minerals, provided that fair compensation, which shall be determined in default of agreement by the State Government shall be paid to the Licencee for all loss or damage sustained by him/them by reason or in consequence of the exercises of the powers conferred by this clause and provided also that the exercise of such power shall not determine the said term hereby granted or affect the terms and provisions of this clause.
- 3.5. If after the receipt of an offer of compensation for any damage which is likely to arise from the proposed operation of the Licencee, the occupier of the surface of any part of the said lands shall refuse his consent to the exercise of the rights and powers reserved to the State Government and granted by this Licence, the Licencee shall report the matter to the State Government and shall deposit with it the amount offered as compensation and if the State Government is satisfied that the amount of compensation is reasonable or if it is not so satisfied and the Licencee shall have deposited with it such further amount as the State Government may consider reasonable, the State Government shall order the occupier to allow the Licencee to enter upon the said land and carry out such operations as may be necessary for the purpose of the Licence. In assessing the amount of such compensation the State Government shall be guided by the principles of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013.
- 3.6. Every notice required to be given to the Licencee shall be given in writing to such person as may be nominated by the Licencee and such nomination shall be informed to the State



Government in writing. If no such nomination is made then the notice shall be sent to the Licencee by registered post/speed post addressed to the Licencee at the address shown in the application for the Licence or at such other address in India as the Licencee may designate from time to time and every such service shall be deemed to be proper and valid service upon the Licencee and shall not be questioned or challenged by him.

- 3.7. If in any event the orders of the State Government are revised, reviewed or cancelled by the Central Government in pursuance of proceedings under the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2015, the Licencee shall not be entitled to compensation for any loss sustained by the Licencee in exercise of the powers and privileges conferred upon the Licencee by these presents.

#### 4. GOVERNING LAW

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

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

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

S. No	Name	PAN Number	Address

#### SCHEDULE B: AREA OF PROSPECTING LICENCE

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

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

## SCHEDULE VI

[See rule 7(1)]

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

To

[Address]

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

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

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

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

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

Yours faithfully,

Place:

Date:

**Signature of the applicant**

**Instructions to applicants:**

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

Provided that in case the applicant is a firm or association of individuals such certificate shall be furnished by all partners of the firm or, as the case may be, all members of the association of individuals:

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

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

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

## SCHEDULE VII

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

### FORMAT OF MINING LEASE

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

#### PARTIES:

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

AND

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

#### BACKGROUND:

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

#### 1. DEFINITIONS

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

#### 2. GRANT OF LEASE

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

part of the Lessee to be observed and performed shall and may quietly hold and enjoy the rights and premises of the Lease Area for and during the term hereby granted without any unlawful interruption from or by the State Government, or any person rightfully claiming under it.

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

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

3.2. Without prejudice to the generality of the foregoing,

(a) the Lessee shall:

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

- (b) the State Government shall:
  - (i) have the right to, at all times to enter into and upon and to grant or demise to any person or persons whomsoever liberty to enter into and upon the Lease Area for all or any purposes other than those for which sole rights and Lease are hereby expressly conferred upon the Lessee, including without limitation, to make on, over or through the said lands such roads, tramways and ropeways as shall be considered necessary or expedient for any purposes and to obtain from and out of the said lands such stone, earth or other materials as may be necessary or requisite for making, repairing or maintaining such roads, tramways, railways and ropeways to pass and repass at all times over and along such roads, tramways, railways and ropeways for all purposes and as occasion shall require;
  - (ii) have the right to appropriate any performance security provided by the Lessee in accordance with terms of such performance security and require the Lessee to replenish the performance security. In case the performance security has been provided through a security deposit after termination of the Lease and fulfilment of all obligations of the Lessee, such security deposit shall be returned to the Lessee after appropriate deductions. It is clarified that the security deposit shall not carry any interest; and
  - (iii) have the right to carry out or perform any work or matters which in accordance with the covenants in that behalf are to be carried out or performed by the Lessee, but have not been so carried out or performed within the time specified In that behalf, and the Lessee shall pay the State Government on demand all expenses which shall be incurred in such carrying out or performance of the same.
- 3.3. If the State Government is desirous of exercising its right of pre-emption with respect to any mineral(s) the State Government shall pay the average sale price of such minerals as published by IBM prevailing at the time of pre-emption.
- 3.4. In the event of the existence of a state of war or emergency (of which existence the President of India shall be the sole judge and a notification to this effect in the Gazette of India shall be conclusive proof) the State Government with the consent of the Central Government shall from time to time and at all times during the said term have the right (to be exercised by a notice in writing to the Lessee/Lessees) forthwith take possession and control of the works, plant, machinery and premises of the Lessee on or in connection with the Lease Area or the operations under this Lease and during such possession or control, the Lessee shall conform to and obey all directions given by or on behalf of the Central or State Government regarding the use of employment of such works, plants, premises and minerals, provided that fair compensation, which shall be determined in default of agreement by the State Government shall be paid to the Lessee for all loss or damage sustained by him/them by reason or in consequence of the exercises of the powers conferred by this clause and provided also that the exercise of such power shall not determine the said term hereby granted or affect the terms and provisions of this clause.
- 3.5. If after the receipt of an offer of compensation for any damage which is likely to arise from the proposed operation of the Lessee, the occupier of the surface of any part of the said lands shall refuse his consent to the exercise of the rights and powers reserved to the State Government and granted by this Lease, the Lessee shall report the matter to the State



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

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

#### 4. GOVERNING LAW

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

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

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

S. No	Name	PAN Number	Address

#### SCHEDULE B: AREA OF MINING LEASE

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

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

## SCHEDULE VIII

[See rule 11(1)(b)]

### MAXIMUM QUANTITIES OF ORES AND MINERALS REMOVABLE

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

## SCHEDULE IX

[See rule 23(3)]

### FORMAT OF TRANSFER APPLICATION

To

[Address]

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

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

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

The transferee and transferor also undertake to comply with the provisions of 12A and the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2015 with respect to the transfer of the mining lease/prospecting licence-cum-mining lease.

Yours faithfully,

Transferor

.....

Transferee

.....

Place: .....

Date: .....

**Instructions to applicants:**

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

## SCHEDULE X

[See rule 23(7)]

### TRANSFER DEED

#### PART A

#### FORMAT OF TRANSFER DEED FOR COMPOSITE LICENCE

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

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

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

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

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

And

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

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

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

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

And

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

**WHEREAS:**

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

**NOW THIS DEED WITNESSETH AS FOLLOWS:**

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

the Composite Licence now being transferred and that no other person or persons has any right, title or interest where under in the present Composite Licence being transferred.

- 3.5. The Transferee hereby declares that he/ it has accepted all the conditions and liabilities which the Transferors was having in respect of such Composite Licence.
- 3.6. The Transferee further declares that he/ it is financially capable of and will directly undertake prospecting operations.
- 3.7. The Transferor has supplied to the Transferee the original or certified copies of all plans of exploration and abandoned pits in the area and in a belt of sixty five meters wide surrounding it.
- 3.8. The Transferee hereby further declares that as a consequence of this transfer, the total area while held by him/ it under mineral concessions are not in contravention of the provisions of the Mines and Minerals (Regulation and Development) Act, 1957 or the rules made thereunder.
- 3.9. The Transferor has paid all prospecting and other fees, royalties, and other dues towards the State Government till the date, in respect of the Composite Licence.

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

For and on behalf of the State Government:

\_\_\_\_\_

Name:

Designation:

For and on behalf of the Transferor:

\_\_\_\_\_

Name:

For and on behalf of the Transferee:

\_\_\_\_\_

Name:

**ANNEXURE A:**

Copy of Composite Licence

**ANNEXURE B:**

Location and area of the Composite Licence

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



## PART B

### FORMAT OF TRANSFER DEED FOR MINING LEASE

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

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

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

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

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

And

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

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

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

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

And

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

**WHEREAS:**

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

**NOW THIS DEED WITNESSETH AS FOLLOWS:**

- 1. Capitalised terms used but not defined in this Deed shall, unless the context otherwise requires, have the respective meanings ascribed thereto in the Concession Documents.
- 2. The Transferee hereby covenants with the State Government that from and after the transfer and assignment of the mining lease, the Transferee shall be bound by, and be liable to perform, observe and conform and be subject to all the provisions of all the covenants, stipulations and conditions contained in the Concession Documents in the same manner in all respects as if the mining lease had been granted to the Transferee as the lessee thereunder and he/ it had originally executed the Concession Documents as such.
- 3. It is further hereby agreed and declared by the Transferor of the one part and the Transferee of the other part that:
  - 3.1. The Transferee and the Transferor declare that the Transferee meets and shall continue to meet all the eligibility conditions which were required to be met by the Transferor for grant of the mining lease.
  - 3.2. The Transferor and the Transferee declare that they have ensured that the mineral rights over the area for which the mining lease is being transferred vest in the State Government.
  - 3.3. The Transferee acknowledges that he/ it has received a copy of, and has read and understands the Concession Documents, and covenants, agrees and confirms that it shall be bound by all provisions of the Concession Documents as if it was an original party thereto.
  - 3.4. The Transferor hereby declares that he/ it has not assigned or in any other manner transferred the mining lease now being transferred and that no other person or persons has any right, title or interest where under in the present Mining Lease being transferred.
  - 3.5. The Transferee hereby declares that he/ it has accepted all the conditions and liabilities which the Transferors was having in respect of such mining lease.

- 3.6. The Transferor has supplied to the Transferee the original or certified copies of all plans of abandoned workings in the area and in a belt sixty five metres wide surrounding it.
- 3.7. The Transferee hereby further declares that as a consequence of this transfer, the total area while held by him/ it under mineral concessions are not in contravention of the provisions of the Mines and Minerals (Regulation and Development) Act, 1957 or the rules made thereunder.
- 3.8. The Transferor has paid all the rent, royalties, and other dues towards the State Government till the date, in respect of the mining lease.

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

For and on behalf of the State Government:

\_\_\_\_\_

Name:

Designation:

For and on behalf of the Transferor:

\_\_\_\_\_

Name:

For and on behalf of the Transferee:

\_\_\_\_\_

Name:

**ANNEXURE A:**

**Copy of Concession Documents**

**ANNEXURE B:**

Location and area of the Mining Lease

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

## SCHEDULE XI

[See rule 35(1)(b)]

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

To

[Address]

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

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

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

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

Yours faithfully,

Place:

Date:

**Signature of the applicant**

**Instructions to applicants:**

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

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Source: The Gazette of India: Extraordinary, Part-II, -3 Sub- (i) dt. 04.03.2016

## **B. Court Decisions:**

### **1. Sri Tapan Chandra Daimary, Petitioner v. The State of Assam & others, Respondents, AIR 2015, Guwahati 176, Vol.102, Part 1223, November, 2015.**

**Subject:** Challenging the decision taken vide letter dated 28.7.2014 to put the River Sand Mahal for re-sale.

#### **Facts:**

The petitioner was an earlier lessee in respect of the Mahal. By a sale notice dated 02.09.2013, the Mahal was put to sale along with some other Mahals by the Divisional Forest Officer, Goalpara Division. The petitioner did not participate pursuant to the said sale notice issued though number of tenderers had submitted their tenders. One Janardan Nath had submitted his tender for Rs.1,61,00,000/-, which appeared to be the highest bid. However, before letter W.P.(C) No. 5108/2014 *Page 3 of 12* of intent could be issued to him, he withdrew his bid, thereby forfeiting his security deposit.

Further, the respondent authorities decided to go for re-sale of the said Mahal without offering the letter of intent to the second highest bidder, and accordingly, sale notice dated 30.05.2014 was issued by the Divisional Forest Officer, Goalpara Division. Reserved price was fixed at Rs. 15,54,000/- as was fixed earlier in the sale notice dated 02.09.2013. Tenders were invited for sale of the Mahal for a period of 7 (seven) years and the sale notice was published in 2 (two) daily newspapers under 32 of the Assam Minor Mineral Concession Rules, 2013, for short, Rules of 2013. The petitioner responded to the said sale notice by quoting a bid of Rs. 16,01,111/- and submitting all relevant documents. Another tenderer had submitted a bid for Rs. 15,95,000/- and thus, the petitioner emerged as the highest bidder. The Divisional Forest Officer, Goalpara Division, by his letter dated 27.06.2014, addressed to the Chief Conservator of Forests, Central Assam, recommended the tender of the petitioner for settlement of the Mahal. However, Office of the Principal Chief Conservator of Forests and Head of Forest Force issued a letter dated 28.07.2014 under the signature of Conservator of Forests (Legal), by which, the Additional Principal Chief Conservator of Forests was directed to put the Mahal for re-sale.

Being aggrieved by the decision to put the Mahal for re-sale, a W.P.(C) No. 5108/2014 *Page 4 of 12* representation dated 04.09.2014 was submitted by the petitioner to the Principal Chief Conservator of Forests praying for settlement of the Mahal in question in his favour.

Learned counsel for the petitioner submitted that when the sale notice dated 02.09.2013 was issued, earnest money was fixed at Rs.1,55,400/-. However, when the sale notice dated 30.05.2014 was issued, earnest money was fixed at Rs. 16,11,110/-, which is much more than Rs.1,55,400/-, and therefore, only genuine bidders had participated pursuant to the said sale notice dated 30.05.2014. It is submitted by him that petitioner having offered a price, which is above the reserved price, there could have been no justification for not settling the Mahal in his favour and for taking a decision as communicated by the letter dated 28.07.2014 for issuance of a fresh re-sale notice.

Learned counsel also submitted that in the year 2006 - 2008, the Mahal was put to sale at Rs. 2,18,000/- but the settlement-holder could not pay the amount. For the term 2008 – 2010, the Mahal was put to sale at Rs. 3,53,339/-, but the lessee became a defaulter after payment of 3 (three) kists and the Mahal was again sold after 15 (fifteen) months at Rs.1,69,000/-. It is submitted by him that Dudhnoi River Sand Mahal No. 1 and Dudhnoi River Sand Mahal No. 2, which were put to re-sale along with the Mahal, fetched Rs. 1,000/- and Rs. 1,500/-, respectively less than what was originally quoted by the

highest bidder and this indicates that the rate quoted by the petitioner is commercially viable and reasonable.

Learned Standing Counsel submitted that no interference with the order dated 28.07.2014 is called for as re-sale was ordered in the interest of Government revenue and in public interest. It is further submitted that in response to the re-sale notice dated 30.05.2014, only 2(two) tenderers, including the petitioner, had responded. The earnest money in the said sale notice dated 30.05.2014 was fixed by the Divisional Forest Officer, Goalpara at Rs. 16,11,110/-, being 10% of the previous highest bid though in the first sale notice dated 02.09.2013, earnest money was fixed at 10% of total reserved price, thereby increasing the earnest money by almost 10 times as compared to the previous sale notice dated 02.09.2013. It is also submitted that same restricted participation of tenderers, and therefore, while directing re-sale of the Mahal by the letter dated 28.07.2014, the Additional Principal Chief Conservator W.P.(C) No. 5108/2014 *Page 6 of 12* of Forests (T) was directed to decide and fix the earnest money at his end. When only 2 (two) tenderers had participated, and when the highest tenderer had offered barely Rs. 47,111/- above the reserved price, decision to go for re-sale cannot be termed as arbitrary and unreasonable. It is also submitted by him that the very fixation of the reserved price at Rs.15,54,000/- goes to show that illustrations cited by the petitioner with regard to settlement amount for the years 2006 – 2008 or 2008 – 2010 and that Mahaldar or lessee could not pay the kist, cannot be the index of the value of the Mahal.

#### **Decision:**

The High Court has referred to decisions given in the cases *Sterling Computers Ltd. V. M/S M& N Publications Ltd & Ors.*(AIR 1996 SC 51); *Air India Ltd. Vs. Cochin International Airport Ltd & Ors.*, (AIR 2000 SC 801); *Jagdish Mandal Vs. State of Orissa & Ors* (2007) 14 SCC 517, and stated that the petitioner had not responded to the first sale notice dated 02.09.2013. The dates mentioned in the letter of the Divisional Forest Officer, Goalpara Division is 09.07.2014 (Annexure – F to the additional-affidavit) are not correct. Mahal was not put to sale under Rules of 2013 on 04.10.2013 but the sale notice was issued on 02.09.2013. Re-sale notice was not issued on 06.05.2014 as noted therein but on 30.05.2014. What was the settlement amount for the period after 20.02.2011 is also not mentioned in the letter dated 09.07.2014. Though by the aforesaid letter dated 09.07.2014, the Divisional Forest Officer, Goalpara Division suggested that settlement could be offered to the petitioner at his bid, the higher authorities of the Department recommended to issue sale notice for re-sale of the Mahal, which was affirmed by the Principal Chief Conservator of Forests with an observation that earnest money is to be decided by the Additional Chief Conservator of Forests (T), Lower Assam Zone vide his note dated 17.07.2014.

The High Court has further stated that the records reveal that in response to the first sale notice dated 02.09.2013, 13 (thirteen) tenders were received and there were 4 (four) bids above Rs. 1, 00, 00,000/- and 2 (two) bids above Rs. 90, 00,000/-. The last of the bid was Rs. 15, 55,111.99. There is no explanation whatsoever why settlement was not offered to the next higher bidder after withdrawal of the bid by the highest tenderer. Be that as it may, the authorities noted participation of only 2 (two) tenderers in response to the said notice dated 30.05.2014 as against participation by 13 (thirteen) tenderers in respect of sale notice dated 02.09.2013. It was also felt by the authorities that enhancement of deposit of earnest money from Rs. 1, 55,400/- to Rs. 16, 11,110/- could have resulted in lesser participation.

The High Court has also stated that Government is the guardian of the finances of the State. It is expected to protect the financial interests of the State. The right to choose cannot be W.P. (C) No. 5108/2014 *Page 12 of 12* considered to be an arbitrary power.



The High Court held that the decision of the authorities to decide to go for re-sale cannot be said to be arbitrary or unreasonable or perverse or actuated by biasness or malafides or that the decision is such that no responsible authority acting reasonably, could have reached. The authorities have taken into consideration relevant considerations and taken a conscious decision to issue a fresh re-sale notice. The grounds on which decision to issue re-sale notice were taken cannot be said to be not germane to the question.

Accordingly the High Court has dismissed the writ-application for want of merit, without any cost.

*Petition dismissed.*

**2. Ram Metalik, Petitioner v. State of Jharkhand & others, Respondents, AIR 2015, Jharkhand 102, Vol.102, Part 1224, Dec, 2015.**

**Subject:** Arranging the order dated 05.08.2014 of cancellation of licence.

**Facts:** The petitioner is a registered dealer under the Jharkhand Mineral Dealers Rules, 2007. It has been granted licence for processing/storing and trading of iron ore. The licence under the Jharkhand Mineral Dealers Rules, 2007 was issued to the petitioner on 14.06.2012 for a period of five years. The petitioner has obtained requisite clearance from the Jharkhand Pollution Control Board. On 02.08.2014 an inspection was carried by a team of officers comprising the Assistant Mining Officer and Mines Inspectors. The representative of the petitioner namely, one Somnath Kumar Ram was also present at the time of inspection. Measurement of Iron Ore was taken and 985.074 MT. Lumps/Rom, 1259.336 MT size Ore and 1762.108 MT fines Ore, total about 4006.513 MT was found there. The representative of the petitioner however, did not produce the stock register and he gave in writing the stock of Rom, size Ore and fines Ore, total weighing 2965.860 MT. It is stated that in this manner, huge quantity of Iron Ore, size Ore and fines Ore was found in excess, in the premises of the petitioner which were obtained and brought by the illegal means. A First Information Report bearing Gua ( Bara Jamda ) P.S. Case No . 45 of 2014 was lodged on 02.08.2014 under 379 / 411 I .P C. and under 4 & 21 of M.M.D.R. Act, 1957 read with Rule 6 of the Jharkhand Mineral Dealers Rules, 2007 and under Rule 3/9 of Jharkhand Mineral Transit Pass Regulation, 2005. Vide order dated 05.08.2014, the licence of the petitioner was cancelled and it was directed not to carry on business from its premises. Aggrieved, the petitioner has approached this Court by filing the present writ petition.

A counter – affidavit has been filed on behalf of the respondent–State of Jharkhand stating that in view of the input received from the Superintendent of Police, Special Branch, Ranchi, a team of Mining Officers visited the crusher premises of the petitioner. On 02.08.2014,when huge quantity of Iron Ore, size Ore, fines Ore was found in excess to the quantity disclosed by the representative of the petitioner . It is further stated that a criminal case being Gua (Bara Jamda) P.S. Case No. 45 of 2014 has been registered and the criminal case is under investigation against the petitioner. Since the illegal huge quantity of Iron Ore, size Ore and fines Ore was found inside the premises of the petitioner, vide order dated 05.08.2014 licence has been cancelled.

The learned Senior counsel appearing for the petitioner submits that without issuing any show–cause notice to the petitioner, licence granted for five years, was arbitrarily cancelled vide impugned order dated 05.08.2014 . It is further submitted that only on the statement of the alleged representative of the company namely, one Somnath Kumar Ram, the respondent–Assistant Mining

Officer has concluded that the alleged excess quantity of Iron Ores found inside the premises of the petitioner was illegally procured by the petitioner .

The learned counsel appearing for the respondents stated that on the statement made by the representative of the petitioner-company, 1040.6536 MT of Iron Ore, size Ore and fines Ore was found in excess to the quantity disclosed by the representative of the petitioner and thus, a criminal case has been lodged for bringing such huge quantity of Iron Ores by illegal means.

**Decision:**

Opinion that the present writ petition deserves to be allowed. The cancellation of licence which was issued on 14.06.2012 for five years, vide impugned order dated 05.08.2014 entails serious consequences to the petitioner however, no notice was issued to the petitioner before the licence was cancelled. The object on against the petitioner is that it has kept 1040.6536 MT of Iron Ore, size Ore and fines Ore without any valid transport challan and other papers and it has received such huge quantity of Iron Ores by illegal means. From the materials brought on record, I find that the respondents have concluded that the petitioner has procured huge quantity of Iron Ores through illegal means only for the reason that the stock register was not produced by the representative of the petitioner. From the counter-affidavit filed on behalf of the respondent-State of Jharkhand, it is apparent that the representative of the petitioner has stated before the inspect in team that stock register has been sent to Chaibasa. It further appears that neither any show cause notice was issued to the petitioner nor the petitioner was afforded any opportunity to produce the transport challan and other relevant evidences indicating the lawful purchase of stock kept within its premises. Since, the respondents have filed counter – affidavit and the petitioner has filed rejoinder affidavit as well as supplementary affidavit, at this stage, relegating the petitioner to approach the appellate authority would not be proper .

The High Court has quashed the impugned order and directed to the Assistant Mining Officer, Chaibasa to issue a show cause notice to the petitioner indicating the discrepancy found during the inspection. Let such a notice be issued to the petitioner within two weeks. The petitioner would be provided further two weeks' time for responding to the show-cause notice. After considering the show cause notice of the petitioner, a final decision would be taken by the Assistant Mining Officer, Chaibasa within two weeks. However, it is made clear that during this period of six weeks, the petitioner shall not carry its business as directed by the Assistant Mining Officer.

*Petition allowed.*

**3. R. Chidambaram, Petitioner v. Andaman and Nicobar Administration and others, Respondents, AIR 2016, Calcutta 14, Vol.103, Part 1225, Jan, 2016.**

**Subject:** Challenging the order dated 20.08.2014 of rejection of request for renewal of quarry permit.

**Facts:** The petitioner is a recorded tenant of the land bearing survey No. 255/65 measuring area about 0.20 hectares situated at Bimblitan village, Port Blair Tehsil, South Andaman District.

The land is rich in natural resources and fit for mining operation. The petitioner was carrying on business of extraction of quarry in his own land for about last 20 years on the strength of a valid permit issued by the re-respondent No. 2 which was renewed from time to time.

In June 2011, a case was initiated against the petitioner under the Explosive Substances Act, 1908 and the petitioner was remanded to judicial custody. He was subsequently released on bail on 30th September, 2013.

In the meantime the respondent No.4 issued an order dated 25th October, 2011 whereby the quarry permit of the petitioner was kept in abeyance with effect from 9th August, 2011 till the disposal of the said criminal case.

In 2012, the respondent No. 2 initiated the process of auctioning the quarry operation and in November 2012, 38 quarries were auctioned. All such quarry operations are being carried out on Government land. The petitioner could not participate in the bidding process because he was in judicial custody.

Being desirous of resuming the quarry operation on his land, the petitioner made a representation to the respondent No. 2 on 18.03.2013 requesting for renewal of quarry permit. There was no response from the respondent No.2 to the said representation.

The petitioner filed a writ petition in this court being WP No. 202 of 2013 challenging the order dated 25th October, 2011 passed by the respondent No.2 whereby the petitioner's quarry permit was kept in abeyance and also the failure on the part of the respondents in responding to the petitioner's representation dated 18.03.2013. This court by an order dated 27.11.2013 directed the respondent No. 2 to dispose of the petitioner's representation dated 18.03.2013 by passing a reasoned order and after considering the judgement of the Hon'ble Apex Court in the case of *Thressiamma Jacob and others v. Geologists, Department of Mining and Geology and other, reported in (2013) 9 SCC 725 : (AIR 2013 SC 3251)*.

Pursuant to this court's order, the Deputy Commissioner, South Andaman District passed an order dated 20.08.2014 rejecting the petitioner's request for renewal of quarry permit. The petitioner has challenged the said order of the Deputy Commissioner in the present writ petition.

Learned counsel for the petitioner submitted that the petitioner had been carrying on the operation of extracting quarry from his own land for the last 20 years. He has never violated any conditions of the permit that was granted to him. He is prepared to pay royalty to the government. The natural mineral in his land belongs to him and there cannot be any justification on the part of the respondent authorities in refusing to renew the quarry permit.

It is submitted that ownership of the minerals in the land vests with the petitioner and there can be no legitimate reason for denying the petitioner the right to exploit such property. The petitioner is the proprietor of the minerals in his land and proper permit should be granted to him to extract quarry products from his land after paying necessary revenue to the respondent authorities.

Learned senior counsel submitted that prior to coming into force of the Andaman & Nicobar Islands Minor Minerals Rules, 2012, quarry permits were granted to interested parties as per the provisions of Section 201 of the Andaman & Nicobar Islands Land Revenue and Land Reforms Regulations, 1966. Rule 7 of the said Rules provides that all areas identified for quarrying shall be allotted to the successful bidder by open auction. It is submitted that after coming into force of the 2012 Rules, there is no scope for allotting any quarry to the petitioner on an individual or preferential basis.

He submitted that auction was held in the year 2012 after publishing notice thereof in the news paper and 38 quarries were allotted to the successful bidders. The petitioner admittedly did not participate

in the auction process. Not having participated in the auction process, the petitioner has no locus standi to maintain this present writ application. He further submitted that after allotment of 38 quarries no other quarries are available for allotment.

It is further submitted that the issuance of quarry permit for extraction of quarry materials from the land of which the petitioner is in occupation is not possible because due to extraction of quarry materials from the said land for a long period of time the said land has become unfit for further extraction of quarry materials. Due to removal of quarry materials from the said land for a long period of time, the said land has become a ditch and further removal of quarry materials from the said land will cause ecological imbalance.

**Decision:**

The High Court has stated that as per Section 38 of the Andaman & Nicobar Island Land Revenue and Land Reforms Regulations, 1966 every inch of land in the Union Territory of Andaman & Nicobar Islands is vested absolutely in the Government. After coming into effect of the 2012 Rules, the hands of the Administration are tied. The Administration is bound to follow the said rules in the matter of allotment of quarry.

The High Court has held that with coming into force of the 2012 Rules the action for allotment/conduct of quarry operation in the territory can be undertaken/quarry rights can be assigned only after following the procedure/norms prescribed under the said Rules. There is no scope for making any allotment on private or individual basis. The writ petitioner not having participated in the public auction that was held in the year 2012 after due publication thereof in the newspapers, he cannot, in my view, complain of non renewal of his quarry permit.

The High Court has further held that the 2012 Rules have statutory force. It is settled law that when a statute prescribes a procedure for doing something that thing can be done only by following the prescribed procedure or not at all. The law in force requires the Administration to conduct open auction for allotment of quarries.

The High Court has opined that the petitioner has no legal or vested right to the renewal of his permit which can be enforced by issuing a writ of mandamus. He will be entitled to participate in the next auction that the Administration holds.

Thus, the High Court has dismissed the Writ Petition without any order as to costs.

Petition dismissed.

**4. State of Rajasthan & ors, Appellants v. Gotan Lime Stone Khanji Udyog Pvt. Ltd. & Anr. Respondents, AIR 2016, SC 510, Vol.103, Part 1226, Feb, 2016.**

**Subject:** Whether looking at the substance of the transaction in question, an illegal transfer of mining lease was involved? Whether transformation of partnership into company and transfer of lease rights to such company, though apparently valid and permitted, has to be seen with the next transaction of transfer of the entire shareholding to a third company for a price thereby avoiding declaration of real transaction of sale of mining lease which was not permissible. Further question is whether on this basis the State is justified in cancelling the lease which the High Court has quashed.

**Facts:**

M/s. Gotan Limestone Khanji Udhyog (GLKU), a partnership firm, held a mining lease for mining limestone at village Dhaappa, Tehsil Merta, District Nagaur in area of 10 sq. km at fixed rent of Rs.1,42,85,224/- per annum for which third renewal for 30 years was granted w.e.f. 8th April, 1994. The said lessee applied for transfer of the lease in favour of respondent No.1 herein, M/s. Gotan Limestone Khanji Udhyog Pvt. Ltd (GLKUPL) on 28th March, 2012. The application dated 28th March, 2012 states that the lessee was a partnership firm and wished to transfer the lease to a private limited company which was mere change of form of its own business by converting itself from a partnership firm into a private limited company. The partners of the firm and Directors of the company were the same and on transfer, no illegal benefit, price or premium was taken from the transferee. The lease was 40 years old and there was no impediment in the transfer. The transferee will comply with the rules and regulations. The transfer was allowed on 25th April, 2012 on that basis. After seeking the said permission, the newly formed private limited company instead of operating the mining lease itself sold its entire shareholding to another company allegedly for Rs.160 crore which is alleged to be the sale price of mining lease.

On this development, a show cause notice dated 21st April, 2014 was issued to Respondent No.1 proposing to cancel the transfer order on the ground that contrary to the statement in the application for transfer that the partners of the partnership firm will be Directors of the private limited company, the Directors of the private limited company who were partners of the firm were replaced by new Directors on 6th August, 2012 and the private limited company was listed as subsidiary of Ultra Tech Cement Limited Company (UTCL) with the Bombay Stock Exchange. This development showed that the transfer was secured by a conspiracy and in circumvention of the rules.

Respondent No.1 contested the show cause notice. In its reply, it stated that the State Government itself had defended the transfer in its affidavit in reply to the Writ Petition No.404 of 2013 filed by M/s. J.K. Cement Limited (JKCL). There was no bar to the change of Directors and shareholding of a company under the rules. Thus, transfer of shareholding and change of Directors did not amount to transfer of mining lease nor it affected validity of permission for transfer from GLKU to GLKUPL.

This stand was held to be unsatisfactory by the competent authority. Accordingly, the order dated 25th April, 2012 was rescinded and declared void vide order dated 16th December, 2014. It was also observed that the department had filed its revised reply before the High Court and according to the said reply, the transfer was in violation of Rule 15 of the Rajasthan Minor Mineral Concession Rules, 1986 (the Rules).

It appears that an FIR dated 7th August, 2014 was also registered with the Jaipur Main Police Centre on a complaint of one Dr. Kirit Somaiya on the allegation that GLKU had sold the mining lease to UTCL which was not permissible and thereby unlawful gain was acquired in connivance with the mining department and loss was caused to the State.

The respondent No.1 filed S.B. Civil Writ Petition No.9669 of 2014 seeking quashing of show cause notice dated 21st April, 2014, the order dated 16th December, 2014 and other consequential orders.

**Decision:**

The Supreme Court has referred to the decision given in the cases Goa Foundation (AIR 2014 SCW 6014), Sulekhan Singh & Co. v. State of U.P. (AIR 2016 SC 228) and 12A(6) of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 and stated that in the case, the original lessee sought transfer merely by disclosing that the partnership firm was to be transformed into a private limited company with the same partners continuing as directors and there was no direct or indirect

consideration involved. It was specifically declared that no pecuniary advantage was being taken in the process which is clearly false. The permission to transfer the lease in favour of a private limited company was granted on that basis. Thus, it was a case of suppression veri and suggestio falsi. Once it is held that transfer of lease is not permissible without permission of the competent authority, the competent authority was entitled to have full disclosure of facts for taking a decision in the matter so that a private person does not benefit at the expense of public property. The original lessee did not disclose that the real purpose was not merely to change its partnership business into a private limited company as claimed but to privately transfer the lease by sale to a third party. This aspect has also escaped the attention of the High Court. Accordingly, our answer to the question framed is that in the facts of the present case, sale of shareholding by GLKUPL to UTCL is a private unauthorized sale of mining lease which being in violation of rules is void. GLKUPL has been formed merely as a device to avoid the legal requirement for transfer of mining lease and to facilitate private benefit to the parties to the transaction, to the detriment of the public.

The Supreme Court has further stated that Learned single Judge and the Division Bench have gone by only one aspect of law, i.e. the general principle that sale of shares by itself is not sale of assets but this principle is subject to the doctrine of piercing of corporate veil wherever necessary to give effect to the policy of law. In the present case, this principle clearly applies as transfer of shares to cover up the real transaction which is sale of mining lease for consideration without the previous consent of competent authority, as statutorily required. The statutory requirement is sought to be overcome with the plea that it was a transaction merely of transfer of shareholding when on the face of it the transaction is clearly that of sale of the mining lease. In view of the above, the view taken by the High Court cannot be sustained.

Accordingly, the Supreme Court has allowed the Appeal and set aside the judgment of the High Court. The Supreme Court has directed to the State of Rajasthan to frame and notify its policy in the matter within one month from the receipt of a copy of this order. The State of Rajasthan may within one month thereafter pass an appropriate order in respect of the mining lease in question in the light of the policy so framed. Till such a decision is taken, status quo may be maintained.

*Appeal allowed.*

**5. Ramakant Dwivedi Appellant v. Ahmad & Ors Respondents, AIR 2016, SC 235, Vol.103, Part 1226, Feb, 2016.**

**Subject:** Appeal preferred against order dated 18<sup>th</sup> June, 2015 passed by the High Court of Judicature at Allahabad in PIL No.35233 of 2015 granting an interim order against excavation of minor minerals by the appellant in respect of lease executed in his favour on 17<sup>th</sup> October, 2013.

**Facts:**

According to the appellant, on 27<sup>th</sup> April, 2013, the pre-existing lease in his favour which expired on 18<sup>th</sup> November, 2010, was renewed for further period of three years up to 26<sup>th</sup> April, 2016. Approval was granted on 14<sup>th</sup> March, 2011 and environmental clearance was granted on 21<sup>st</sup> September, 2012. It is submitted that order of the Government dated 31<sup>st</sup> May, 2012 was not applicable and was later withdrawn on 22<sup>nd</sup> October, 2014 and thus, the lease was valid.

The High Court has rightly held that the renewal was in pursuance of the Government Order dated 26<sup>th</sup> February, 2013 which itself was in conflict with the order of the High Court in *Nar Narain Mishra* (supra) as reiterated in *Sukhan Singh* (supra). In view of order of the High Court dated 29<sup>th</sup> January, 2013 in *Nar Narain Mishra* (supra) all pending applications as on 31<sup>st</sup> May, 2012 stood rejected.

**Decision:**

Once a notification dated 31.5.2012 had been issued declaring that all the vacant areas are available for grant of lease only under Chapter IV, no lease subsequent thereto under Chapter VI could be executed. The area remains vacant till the execution of the lease deed. The Execution of the lease in the facts of the case has taken place after 31.5.2012. Mere grant/approval in our opinion will not alter the legal position.

The concern of the Court is both, in respect of best use of natural resources by the State as well as for avoiding the degradation of environment, especially near the river beds. The Supreme Court held that lease was granted in violation of judgment of the High Court as already noted. Subsequent withdrawal of the Government order dated 31<sup>st</sup> May, 2012 could not benefit the appellant as on the date of grant of lease in favour of the appellant, the said Government order was operative.

The Supreme Court further held that the issue to be finally decided by the High Court on merits, and dismiss the appeal.

*Appeal dismissed.*

**6. District Collector, Vellore District, Appellant v. K. Govindaraj, Respondent, AIR February, 2016, Supreme Court 526, Vol.103, Part 1226, February, 2016.**

**Subject :** Question arises in these appeals is as to whether amended Rule 9(8) of the Tamil Nadu Minor Mineral Concession Rules, 1959 hereinafter referred to as “1959 Rules”, which was amended by G.O.Ms.No.391 dated 17.11.2000, would have retrospective effect or will become operational prospectively i.e. only from 17.11.2000.

**Facts :** The respondents were granted stone quarrying leases for a particular area some time in the year 1997. At that time, as per amended Rule 8(8) of 1959 Rules, lease could be granted for a period of five years initially and thereafter it could be renewed by another five years. On the basis of this Rule, the respondents herein in all these appeals were given the leases for a period of five years. However, when these leases were still in operation and the said period of five years for which these leases were granted had not expired, Rule came to be amended vide G.O. dated 17.11.2000. The amended rule provided that the period for quarrying stone in respect of virgin areas, which had not been subjected to quarrying earlier, shall be ten years whereas the period of lease for quarrying stone in respect of other areas shall be five years. On the basis of this amendment, these respondents pleaded that since they were granted lease for quarrying stone in respect of virgin areas, amended provision was made applicable in their cases and they were entitled to continue on lease for a period of ten years.

**Respondent :** Respondent made a representation in this behalf which was not accepted and in these circumstances respondent filed writ petition under Article 226 of the Constitution in the High Court of Judicature at Madras. Interim stay was granted in favour of the respondent which was made absolute. This writ petition was ultimately dismissed by the learned Single Judge. The respondent herein preferred intracourt appeal against the judgment of the learned Single Judge. There were four other persons whose writ petitions similarly filed were also dismissed and they had also filed appeals. In the meantime, many other similarly situated persons filed writ petitions. All these writ petitions and writ appeals were heard by the Division Bench of the High Court and have been allowed by the High Court, vide its impugned judgment dated 23.04.2008.

The High Court was conscious of the cardinal principle that every Statute is presumed to be prospective unless expressly or by necessary implication is retrospective in operation. The High Court referred to Rule 8(8) of 1959 Rules as amended and came to the conclusion that so far as the 1959 Rules are concerned they are only procedural. As a consequence, the High Court held that it is the amended rule which would apply to those leases as a whole which was still operational and period whereof did not expire inasmuch as such amended Rule will be given retrospective effect.

Learned Senior Counsel appearing for the appellants, submitted that though the principle of law is rightly stated by the High Court it has committed an error in holding that the Rule in question is procedural in nature. He argued that even if the amendment to the Rules was substantially procedural, the Rule in question, that is, Rule 8(8) which provided for the period of lease for quarrying stone was of substantive nature in as much as by grant of lease under this Rule certain rights were conferred upon the lessee and such a provision cannot be procedural.

**Decision :** The Supreme Court had stated that a particular provision in a procedural statute may be substantive in nature and such a provision cannot be given retrospective effect.

The Supreme Court has stated that by way of amendment, for the first time, the categories of virgin areas and non-virgin areas were carved out and virgin areas were given better treatment, which was not the position under the unamended Rule. The right which is substantive in nature, accrued to the virgin areas for the first time by way of amendment only. The Supreme Court has found out that Rule 8(8) of the 1959 Rules which prescribes period for grant of lease is not procedural but substantive in nature. By amendment, change in the said Rule was effected with the classification of areas into “virgin area” and “other areas that is non-virgin areas”. It is only in respect of virgin areas that the period of lease stands enhanced to ten years whereas in respect of other areas the period of lease continues to be five years. This was clearly a substantive amendment which had nothing to do with any procedure. There was no concept of “virgin area” in the unamended rule which has been introduced for the first time by way of aforesaid amendment. The High Court has simply gone by the manner in which the leases are to be given under the aforesaid Rules and on that basis treated the Rules as procedural in nature. It needs to be emphasized that even where the Rules are procedural, some of the provisions therein may be of substantive nature. An error is committed by the High Court in holding that fixation of period of lease is also procedural. When a decision to grant lease is substantive in nature, the period for which the lease is to be granted would also be substantive. Thus, the conclusion arrived at by the High Court is contrary to law.

Lastly, the Supreme Court has allowed these appeals without any order as to costs.

Appeal allowed.

**7. Sulekhan Singh & Co. & Ors Appellants v. State of U.P. & Ors. Respondents, AIR 2016, SC 228, Vol.103, Part 1226, Feb, 2016.**

**Subject:** The question involved in these appeals is- whether the High Court was justified in quashing mining lease granted in favour of the appellants vide orders dated 24th May, 2014 and 26th May, 2014 on the ground that the said leases were granted in violation of the Government Order (G.O.) dated 31st May, 2012. Under this order, mining leases could only be granted under Chapter IV of the U.P. Minor Minerals (Concession) Rules, 1963 (the Rules) by way of e-tendering in the interest of transparency and to safeguard the public revenue.



**Facts:** Appellants Sulekhan Singh and company were the petitioners in the High Court in Civil Miscellaneous Writ Petition Nos.12663 of 2014. The appellants Manoj Kumar Sood and Makhan Singh were jointly the petitioners in the High Court in Civil Miscellaneous Writ Petition Nos.12622 of 2014. They sought direction for grant of mining lease. Upon grant of lease in pursuance of interim order in their favour, Mohammad Aakil and Masihul Khan private respondents herein, sought cancellation of mining leases granted to the appellants.

The Mines and Mineral (Development and Regulation) Act, 1957 (MMDR) provides for development and regulation of mines and minerals. 15 provides for making rules by the State Governments for regulating grant of mining leases and other matters in respect of 'minor minerals'. The State of U. P. framed the Rules in exercise of the said power. The Rules contain two sets of procedure for grant of mining lease. Chapter IV of the Rules provides for grant of lease by auction while Chapter II provides for grant of lease otherwise than by way of auction. Prior to 31st May, 2012, the leases were being granted in the State of Uttar Pradesh under Chapter II.G.O. dated 31st May, 2012 changed this practice, providing that:

“To bring transparency in connection of approval of mining lease in the state, the decision has been taken to grant lease through e-tendering system by inviting tenders under the provisions of chapter-4 of Uttar Pradesh Minor Minerals (Concession) Rules, 1963.

The G.O. dated 31<sup>st</sup> May 2012, passed by the State of U. P. came to be challenged before the High Court inter alia on the ground that applications already made prior to 31st May, 2012 were required to be dealt with without applying the G.O. dated 31st May, 2012. This plea was rejected by the High Court vide its judgment dated 29th January, 2013 in **Nar Narain Mishra v. The State of U.P.** [2013 (2) ADJ 166]. Special leave petition filed against the High Court judgment was dismissed by this Court [SLP(Civil) No.14372/2013, dismissed on 3.3.2014.]. The Division Bench of the High Court relied upon judgment of this Court in **State of Tamil Nadu v. M/s. Hind Stone** [1981 (2) SCC 205] and held that pendency of application did not create any vested right for the application being considered otherwise than by way of order dated 31<sup>st</sup> May, 2012.

The High Court also rejected the objection that the order dated 31<sup>st</sup> May, 2012 was required to be confined only to “Boulder” and did not extend to “Building Stone”.

The High Court held that no direction for grant of a lease contrary to G.O. dated 31st May, 2012 could be issued and cancelled all applications pending on 31st May, 2012.

In spite of the said judgment of the High Court, certain leases were granted in violation of G.O. dated 31<sup>st</sup> May, 2012 which came to be challenged before the High Court. Reiterating its view, in its judgment dated 12<sup>th</sup> September, 2014 in **Sukhan Singh v. State of U.P.** [2014 (11) ADJ 89], it was held that no pending application as on 31<sup>st</sup> May, 2012 could be taken cognizance of.

The appellants also argued that the G.O. dated 22nd October, 2014 cancelled G.O. dated 31<sup>st</sup> May, 2012 and decided to proceed with the grant of mining leases under Chapter II instead of Chapter IV. It was submitted that in view of change of policy, G.O. dated 31<sup>st</sup> May, 2012 could not be taken into account.

#### **Decision:**

The Supreme Court has referred to the decisions given in the cases **Hind Stone** (AIR 1981 SC 711), **Monet Ispat and Energy Ltd. v. Union of India (2012(11)SCC1.)** and stated that Order dated 31st May, 2012 was issued by the State of U.P. to bring about transparency and to safeguard the Government revenue and was consistent with the decisions of this Court in Article 14 of the Constitution. The validity thereof was upheld by the High Court in **Nar Narain Mishra** (supra). The said judgment

applied to the mineral in question as specifically laid down by the High Court. The High Court upheld the stand of the State that pendency of application did not create any right in favour of the appellants. All applications pending as on 31st May, 2012 stood rejected including the application of the appellants. Admittedly, the appellants did not make an application after the changed policy dated 22nd October, 2014 and thus the said G.O. had no application to the present case.

The Supreme Court has dismissed the appeals for want of merits, also vacated the interim order granted, and directed that the State will assess the extent of pecuniary advantage taken by the appellants under the interim order and recover the same from the appellants.

*Appeal dismissed.*

**8. Coromandel Mining & Exports Pvt. Ltd., Hyderabad & others, Petitioners v. Union of India & others, Respondents, AIR 2016, Hyderabad 28, Vol.103, Part 1226, February, 2016.**

**Subject:** Two prayers have been made in these batch of writ petitions, first, to declare that s 8, 10, 11 and 13 of The Mines and Minerals (Development and Regulation) Amendment Act, 2015 (for short 'the Amendment Act') notified in the extraordinary gazette dated 27.03.2015 and brought into effect on 12.01.2015, are unreasonable, arbitrary and unconstitutional being violative of Articles 14, 19(1)(g), 39, 300(A) and 301 of the Constitution of India, and second, a direction to the respondents to complete processing of their applications for prospecting licences made in accordance with the provisions of Mines and Minerals (Development and Regulation) Act, 1957 (for short 'the Principal Act') as available prior to the date of the Amendment Act came into effect.

**Facts:** The petitioners in these petitions had applied for prospecting licence-cum-mining lease under 10 for minerals like limestone, and while their applications were pending, the Amendment Act came into effect and as a result thereof their applications became ineligible, and hence they have prayed for striking down the aforesaid provisions of the Amendment Act and sought direction to process their applications under the Principal Act. Sub- (1) of 10A of the Amendment Act states that all applications received prior to the date of commencement of the Amendment Act (i.e. 12.01.2015) became ineligible.

The first petitioner-Company, is 100% share holder (Holding Company) of the second petitioner-Company. The third petitioner is one of the promoter shareholders of the first petitioner-Company. The first petitioner-Company's applications for grant of mineral concessions (prospecting licence-cum-mining lease) were pending with the 2nd respondent-State of Andhra Pradesh on the date when the Amendment Act came into effect. Their applications, as claimed by them, have direct impact on the first and second petitioner-Companies and also the interest of the third petitioner as their promoter shareholder.

The first petitioner-Company is a Company incorporated under the Companies Act, 1956. Presently, it is having 5.2 million tons per annum manufacturing capacity of cement at its factory located at Mellacheruvu Village/Mandal, Nalgonda District, and at Mullakalapalli Village, Yelamanchili Mandal, Visakhapatnam District. The Company also has two Ready-Mix Concrete Plants at Patancheruvu, Medak District and Nacharam, Ranga Reddy District. The first petitioner- Company claims that it had achieved a turnover of 1659.88 crores in the financial year 2013-2014 by sale of 35.29 lakhs metric tonnes of cement manufactured and marketed under the brand of MAHA cement.

The second petitioner-Company, which has been acquired by the first petitioner-Company, also has a cement plant with production capacity of about 3.2 million tonnes per annum at Yankandla Village, Banaganapalli Mandal, Kurnool District in the State of Andhra Pradesh.

Limestone is one of the most essential raw materials required for manufacturing of cement and the cost of procurement thereof, according to the petitioners, has a direct impact on the profitability of their Companies. The limestone is captively consumed by the cement industry for production of cement.

The first petitioner-Company had applied for six different prospecting licences in six different parcels of land situated in Banaganapalli Mandal of Kurnool District in order to feed the industrial unit of the second petitioner-Company situated at Srinagar, Yanakandla Village, Banaganapalli Mandal, Kurnool District. The applications were made on different dates and they were pending at various stages when the Amendment Act was introduced and came into effect.

Learned Senior Counsel submitted that under this provision a person who made an application for grant of a mineral concession at an earlier date had vested right/accrued right for being considered preferentially over the persons who made applications at a later date. He submitted the petitioners being the first applicants have vested right in grant of prospecting licences under 11 of the Principal Act over others who made applications subsequently and such vested right/accrued right cannot be taken away by the Amendment Act. Sub- (1) of 10A of the Amendment Act, he submitted, has the effect of bringing the enactment into force with retrospective effect, since it renders all applications made prior to the commencement of the Amendment Act ineligible, and thereby takes away the rights of the petitioners that have accrued in their favour on account of the provisions of s 10 and 11 of the Principal Act.

It is further submitted that such a notification and auction would be vague since there is no empiric data that would be available regarding the available quantity and, therefore, auction would be speculative and based on chance. Such vagueness is not permissible in legislation and is in violation of Article 14 of the Constitution of India. He then submitted that there is no consideration or provision made for mineral based industries in order to safeguard availability of raw materials to them and, therefore, the Amendment Act is arbitrary, discriminatory and in violation of Article 14.

It is also submitted that prescribing an auction as a solitary mechanism for dispensation of mineral concession by Amendment Act would increase centralization and restrict the grants into the hands of few, as oppose to the provisions of Article 39 of the Constitution of India. While introducing the provision, providing for an auction, the Legislature did not take into consideration the possibility of mineral based industries being affected adversely for want of raw-material if they do not get preference in grant in surrounding areas. In view thereof, he submitted that the provision is arbitrary and discriminatory.

Learned counsel appearing for the petitioners submitted that the Supreme Court in the case Centre for Public Interest Litigation and Others v. Union of India and Others (AIR 2012 SC 3725) held that auction cannot be elevated to be a Constitutional Mandate. It is further submitted that the provisions of 8 of the Amendment Act do not provide for renewal, which is also contrary to the object of the Act. It is also submitted that mandate cast upon the State under clauses (b) and (c) thereof to protect the mineral and natural resources and ensure equi-distribution of the same has been violated as the mode of auction has the direct effect of persons having money and resources to control the minerals.

Learned Additional Solicitor General appearing for the Union of India submitted that the petitioners do not get or acquire a vested right under the provisions of the Principal Act by mere making of an application. In other words, making an application under the Principal Act did not confer any right, whether vested or legal. Making an application under the Principal Act, before the Amendment Act came into effect, was only a procedural aspect for grant of mineral concession. Since the procedure is changed by virtue of the Amendment Act for grant of mineral concession, a person cannot be stated to have had any right for grant of mineral concession on the basis of the pending application. He submitted that 11 of the Principal Act, which came to be substituted by the Amendment Act, assumed the characteristics of

right is misconstrued. 11 gave only inter-se preference among those who had applied for grant of mineral concession subject to statutory eligibility. He submitted that when there is a change in law, insofar as procedure is concerned, the same has to be applied retrospectively. When no vested right is taken away, Article 226 cannot be invoked. He submitted that even if it is assumed that the petitioners had acquired a right merely on the basis of making of applications, the so-called right is only a creature of the Statute. The legislature which is competent to create a right also has the power to modify or withdraw such right under the statute. The legislature which has the power to amend a law also has the power to make a law retrospectively.

It is further submitted that alienation/distribution of mineral is a matter of policy of the Government. The law made for dealing with material resources as a matter of legislative policy cannot be assailed on the grounds of Article 14 or Article 19. Such laws are protected under Article 31C.

**Point of issues:**

(i) whether s 8, 10, 11 and 13 of the Amendment Act are liable to be declared arbitrary, unreasonable and unconstitutional being violative of Articles 14, 19 (1) (g), 39, 300 (A) and 301 of the Constitution of India and those being in conflict with the law laid down by the Supreme Court in Natural Resources Allocation case (AIR2012 SCW 6194)?

(ii) whether the petitioners have vested right in obtaining prospecting licence- cum-mining lease under 11 of the Principal Act, even after its substitution by 11 of the Amendment Act?

**Decision:**

The High Court has referred to the decision given in the cases Centre for Public Interest Litigation and Others v. Union of India and Others (AIR 2012 SC 3725); Natural Resources Allocation case (AIR 2012 SCW 6194); State of West Bengal v. Anwal Ali Sarkar (AIR 1952 SC 75); Indira Gandhi v. Raj Narayan (AIRv1975 SC 2299); Kasturi Lal Lakshmi Reddy v. State of Jammu & Kashmir (AIR 1980, SC 19992); Goa Foundation v. Union of India (AIR 2014 SCW 6014); R. K. Garg v. Union of India & Ors. (AIR 1981 SC 2138); D.K. Trivedi & Sons & Ors. v. State of Gujarat & Ors. (AIR 1986 SC 1323 ) and opined that Thus, in our opinion, the provisions of s 8, 10 and 11 of the Amendment Act cannot be stated to be in conflict with the judgments of the Supreme Court. The High Court has stated that there is no constitutional mandate in favour of auction under Article 14, but the converse is also true that there is no prohibition in adopting auction as the method for allocation of natural resources being transparent and fair method so that all eligible persons get a fair opportunity of competition.

Thus, the submission that sub- (1) of 10A of the Amendment Act has the effect of bringing the enactment into force with retrospective effect is, therefore, unreasonable and in violation of Article 14 of the Constitution also deserves to be rejected outright. These provisions cannot be described or treated as discriminatory. As a matter of fact, the Parliament by introducing auction as the method for allocation of prospecting licence-cum-mining lease has given equal opportunity to all those who are interested in the minerals. The question of favoritism also does not arise. The provisions do not even indirectly suggest to do any favour to any larger Corporations or class of persons. The question of giving any protection to any particular mineral based industries also does not arise. The apprehension expressed that the method of auction has the hazard of small industry being cornered by larger industry-corporation is only an imaginary and in any case on this ground the provisions providing for auction, which is otherwise rational method for disposal of public property, cannot be stated to be discriminatory. In our opinion, duly publicized auction conducted fairly and impartially is perhaps the best method for discharging this burden and the methods like first-come-first-served when used for alienation of natural resources/public property are likely to be misused by unscrupulous people who are only interested in garnering maximum financial

benefit and have no respect for the constitutional ethos and values, as observed by the Supreme Court in 2G Case (supra). Though auction, as the method of disposal of natural resources, cannot be declared as constitutional mandate under Article 14 of the Constitution, it is always considered as best method giving equal opportunity to all those who are interested and if the Legislature in its wisdom has provided that as the method for issuing prospecting licences-cum-mining leases under s 10 and 11 of the Amendment Act, it cannot be declared arbitrary, unreasonable and discriminatory being violative of Articles 14, 19(g), 39, 30, 300A and 301 of the Constitution of India.

Thus, the High Court has disposed of both the questions in the negative without any order as to costs. The High Court has also disposed of the pending miscellaneous petitions.

*Order Accordingly.*

**9. M/s. Tata Steel Ltd, Petitioner v. Union of India, Respondent, AIR 2016, Jharkhand, 17 Vol.103, Part 1226, February, 2016.**

**Subject :** Challenging the direction of (i) demand of penalty due and (ii) to obtain mining dues clearance certificate.

**Facts :** The petitioner-Company (hereinafter to be referred to as 'petitioner') is a mining lessee for Iron Ore in Noamundi, Dist. of West Singhbhum since 01.01.1922 and subsequently the lease was renewed twice for the period of thirty years each with effect from 01.01.1952-31.12.1981 and 01.01.1982-31.12.2011. Before the expiry of second renewal, the petitioner applied for third renewal and continued its mining operation during the pending of its application. The petitioner was granted Temporary Work Permission by the Ministry of Environment & Forest for the period of one year w.e.f.29.03.2012 and the same was extended by the Hon'ble Supreme Court on 19.03.2013 for three months and again on 24.06.2013 for another three months. In the meantime, on 21.04.2014 the Hon'ble Supreme Court in *Goa Foundation v. Union of India*, reported in (2014) 6 SCC 590 : (2014 AIR SCW 6014) held that the opinion of the State Government in terms of the Section 8(3) of Mines & Minerals (Development & Regulation) Act, 1957 (hereinafter to be referred as 'MMDR Act') is sine qua non for varying out mining operations under Rule 24A(6) of Mineral Concession Rules, 1960 (hereinafter to be referred to as the 'MCR Rules') for the period prior to the execution of renewed mining lease in the case of second and subsequent renewal. Thereafter the Central Government amended Rule 24A(6) in MCR, 1960 and the provision of deemed renewal is deleted. The petitioner discontinued its mining operation on 31.08.2014 and sought formal orders under erstwhile Section 8(3) of the MMDR Act and when the order was not made a writ being W.P.C No.5225 of 2014 was filed and by judgment dt.11.12.2014 the State Government was directed to issue express orders under erstwhile Section 8(3) of the MMDR Act. In compliance of the order dt.11.12.2014 the State Government passed an order under Section 8(3) of MMDR Act on 31.12.2014 by reduced the area from 1160.60 ha to 768.55 ha. By deducting the forest land and further demanded penalty of Rs.3568.32 crores towards alleged mining. The petitioner challenged the demand of penalty by filing a writ being W.P.C No.6459 of 2014 which is pending in this court. After grant of the express order the petitioner made payment of Rs.152 crore to the State Govt. under protest and resumed its mining operation on 01.01.2015. The Central Government, in the meantime made an amendment in MMDR Act, 1957 by Amendment Act, 2015 and 8A(5) was introduced to the MMDR Act w.e.f. 12.01.2015 modified the earlier order dated 31.12.2014 and extended the period of mining lease up to 31.03.2030 with respect to the reduced area subject to the payment of demand earlier raised vide order dated 31.12.2014. The petitioner, thereafter, repeatedly requested for renewal of its mining lease but the State raised demand of Rs.421.83 Crore and stopped from issuing forwarding note for dispatch of iron ore to its Steel Plant. Thereafter, the petitioner made payment of Rs.50 crores under protest on 24.07.2015 in anticipation of receiving forwarding notes in the meantime the Supplementary Lease Deed was executed. The State Government by impugned communication dated

31.07.2015 amended the sanction order dated 12.02.2015 and deleted paras 2, 3, 4 and 5 which included confirmation of extension of mining lease of the petitioner up to 31.03.2030. On 03.08.2015 the petitioner again requested to issue forwarding notes but it received a letter bearing No.891/m dated 03.08.2015 whereby the petitioner was directed to make payment of Rs.371.83 crore and to obtain Mining Dues Clearance Certificate. The second writ petition being W.P.(C) No.3976 of 2015 also includes the same issue.

The Learned Counsel for the petitioner submitted that the petitioner has prima-facie a very good case on merits as in view of the insertion of 8A(5) in the MMDR Act the State Government is under an obligation to grant an extension of lease deed w.e.f. the date of expiry of its last renewal of the lease to 31.03.2030. It is further submitted that the State Government has granted the order under the erstwhile 8(3) of MMDR Act to the petitioner on 31.12.2014, however over the reduced area of 768.55 hectare against the applied renewal area of 1160.60 hectare by deducting such forest land for which the forest clearance was not obtained and imposed certain extraneous terms and conditions upon the petitioner including the demand of Rs.3568.32 crore towards penalty for alleged illegal mining.

It is also contended that the forwarding notes/challans for dispatch of the iron ores already issued are valid till 28.7.2015 and the State respondent is now using pressure tactics upon the petitioner for the reason that if the forwarding notes/challans are not given to the petitioner, its mining activities will come to a grinding halt and the number of persons employed in the mining operation will be on roads, thereby the petitioner will suffer irreparable loss and injury.

Learned Senior Counsel for respondent justify the demand of penalty as alleged stating that in view of the judgment passed in Goa Foundation Case (2014 AIR SCW 6014) (supra) any mining activity carried out by lessee after expiry of the lease was illegal even if application has been made for renewal and the same not decided. Learned Senior Counsel submitted that by virtue of 10A(2) of MMDR (Amendment) Act, 2015, the State has to grant the mining lease to the lessee but the lessee is obliged to fulfill certain conditions imposed by the State and in this case also certain conditions were imposed and that the petitioner also agreed to it.

Learned Senior Counsel further submitted that the effect of 8A(5) would be that the leases in question which had lapsed since long would have to auctioned and there is no provision of renewal of lapsed lease in MMDR (Amendment) Act, 2015 and that the only distinguishing feature which favours the petitioner is that on the application for renewal made by the petitioner, the decision now taken on the said application is before coming into force of the Amendment Act of 2015, otherwise the petitioner had no legs to stand at all.

#### **Decision :**

The High Court has referred to 8A(5) and 10A(2)(c) of the MMDR Act, 1957 and stated that once the application for renewal had been acted upon prior to Amendment Act, 2015 then unless and until the condition precedent for renewal of the lease is fulfilled, the benefit of Section 8A(5) i.e. renewal of lease up to 31<sup>st</sup> March, 2030 cannot be extended to the petitioner. In Section 8A(5) itself it is specifically mentioned “subject to the condition that all the terms and conditions of the lease must be complied with.”

The High Court has further stated that in the present case also by letter dt.31.12.2014 third renewal to the mining lease was granted subject to the fulfillment of the conditions of the approval and as such the petitioner is bound to fulfill the conditions before taking benefit of the same. Thus the petitioner, prima facie, has failed to establish its prima facie case more strong vis-a-vis the case of the respondent.

The High Court has also stated that the petitioner is generating huge amount of profit out of iron ore mines which is being used by steel plants and earlier also the petitioner has paid the amount of penalty under protest and if it is now directed to pay the remaining amount under protest, the same will serve the interest of justice and also no harm or prejudice is likely to be caused thereby.

The High Court has directed to the petitioner – M/s Tata Steel Ltd in W.P.(C) 3768 that to make the payment of the said amount again within three equal installments the first installment to be cleared by 15<sup>th</sup> October, 2015, second installment by 15<sup>th</sup> November, 2015 and third installment by 15<sup>th</sup> December, 2015. This shall, however, be without prejudice to the rights and contentions of the respective parties. It is further clarified that the forwarding notes (challans) shall be issued for lifting/transporting iron ore in proportion to the amount deposited. The same arrangements shall be applicable to the writ petitioner – M/s. Orissa Manganese and Minerals Limited in W.P.(C) No.3976 of 2015.

The High Court has further directed/ordered that both the writ petitions on hand are admitted to hearing and to be heard along with L.P.A No.547 of 2014 and other cases involving the same issue which are already posted for 19<sup>th</sup> November, 2015.

The High Court has also directed/ ordered to parties to complete their respective pleadings meanwhile.

Order accordingly.

## SECTION -2

### Trend in Mining, Prospecting and Reconnaissance

#### 2.1 TREND IN MINING

##### A. Mining Leases Granted

During the period under review, the information pertaining to the grant of 9 leases covering an area of about 1154.45 ha was received. Of these, Limestone accounted for 3 leases followed by Manganese ore 02, Calcite, Iron ore & Rock phosphate (1 each). In addition to these, mining lease granted in respect of two or more minerals in association (i.e. Group of Minerals) is one.

Reviewing areawise, mining leases granted for limestone covered an area of 1031.07 ha followed by Manganese ore 58.08 ha., Rock phosphate 13.20 ha, Iron ore 4.60 ha and Calcite 4.30 ha. Mining leases granted in respect of Group of Minerals, covered an area of 43.20 ha.

Reviewing statewise number of Mining leases and area granted, Madhya Pradesh accounted for 04 MLs with 65.33 ha. area followed by Maharashtra 2 with 625.92 ha, Andhra Pradesh, Chhattisgarh & Gujarat (1 each) with 454.59 ha, 4.31 ha & 4.30 ha area, respectively .

The mineralwise number of mining leases granted together with lease area and details of mining leases granted are given in Tables 1 A & 1 B, respectively.

**Table - 1 A: Details of Mining Leases Granted**  
(By Minerals)

Mineral	No. of Mining Leases Granted	Area in ha
Calcite	1	4.30
Iron ore	1	4.60
Limestone	3	1031.07
Manganese ore	2	58.08
Rock phosphate	1	13.20
Group of minerals	1	43.20
<b>Total</b>	<b>9</b>	<b>1154.45</b>



**Table – 1 B: Details of Mining Leases Granted**

Mineral	State/District	Village	Area in ha	Date of Grant	Period in years	Name & Address
Calcite	Gujarat Devbhumi Dwarka	Bhara Beraja	4.30	24.11.2015	20	M/s Ankur Minerals, S/18 City Point, Patan, Distt. Patan ( North Gujarat) Gujarat.
Iron ore	Madhya Pradesh Chhattarpur	Khaira Majhoura	4.60	23.10.2015	50	M/s Jindatt Minerals Private Ltd, 6 <sup>th</sup> Km ,Sagar Road, Chhattarpur,P.O.Box No.27, Madhya Pradesh.
Limestone	Andhra Pradesh Anantapur	Gudipadu(V ) Yadiki(M)	454.59	04.12.2015	20	M/s BMM Cements Ltd, 101, 1 <sup>st</sup> Floor, Pride Elite, No. 10, Museum Road, Bangalore – 560 001, Karnataka.
Limestone	Chhattisgarh Durg	Sahgaon	4.31	21.01.2016	50	Smt. Suman Singh, W/o Shri Rana Arun Kumar Singh, 40 Nehru Nagar (Old) Bhilai, Distt. Durg, Chhattisgarh.
Limestone, Laterite & Ochre	Madhya Pradesh Satna	Lakhanwah	43.20	05.10.2015	50	Rajiv Kumar Pathak, Simariya Chowk,Chanakya Puri, Satna,Madhya Pradesh.
Limestone	Maharashtra Yavatmal	Pimparwadi, Bahilampur, Hirapur, Ruikot, Govindpur	572.17	14.01.2016	50	M/s Reliance Cement Company Private Limited, Dhirubhai Ambani Knowledge City, G Block, 1 <sup>st</sup> Floor, Wing 3, Thane-Belapur Road, Koparkhairane, Mumbai – 400 710, Maharashtra.
Manganese ore	Madhya Pradesh Balaghat	Miragpur	4.33	14.09.2015	50	M/s D.P.Rai, 10 East High Court Road, Ramdas peth,Nagpur, 440 010 Maharashtra.
Manganese ore	Maharashtra Nagpur	Parsoda	53.75	18.01.2016	50	M/s MOIL Limited, Moil Bhavan, 1A, Katol Road, Nagpur – 440 013. Maharashtra.
Rock phosphate	Madhya Pradesh Chhattarpur	Liuhani	13.20	24.09.2015	50	M/s Khajuraho Stones (India) Private Ltd, 6 <sup>th</sup> Km, Sagar Road, Chhattarpur, Madhya Pradesh.

## B. Mining Leases Executed

**Table – 2 : Details of Mining Leases Executed**

Mineral	State/District	Village	Area in ha	Date of Execution/Registration	Period in Years	Name & Address
No such information is received during the period.						

## C. Mining Lease Period Extended

During the period under review, the information pertaining to the extension of Lease period for 47 Mining Leases covering an area of about 5028.35 hectares was received. Of these Manganese ore accounted for 10 leases followed by Limestone 8 leases, Dolomite & Iron ore 6 leases each, Bauxite 4 leases and Chromite only one lease. The extension of leases period in respect of two or more minerals in association (Group of Minerals) were granted for 12 minerals.

Reviewing area wise, Bauxite accounted for 985.84 ha, followed by Limestone 465.73 ha, Iron ore 185.70 ha, Manganese ore 118.69 ha, Dolomite 28.01 ha and Chromite 16.22 ha. The mining lease period extended for two or more minerals (Group of Minerals) accounted for about 3228.16 ha area.

Reviewing state wise, number of mining lease period extended in Maharashtra 41 with 5000.34 ha area followed by Madhya Pradesh 6 leases with 28.01 ha area.

The mineral wise number of mining lease period executed together with lease area and details of mining leases executed are given in Tables 3A & 3B.

**Table 3A : Details of Mining Leases where Mining lease Period Extended (By Minerals)**

Mineral	No. of Mining Leases Executed	Area in ha
Bauxite	4	985.84
Chromite	1	16.22
Dolomite	6	28.01
Iron ore	6	185.70
Limestone	8	465.73
Manganese ore	10	118.69
Group of Minerals	12	3228.16
<b>Total</b>	<b>47</b>	<b>5028.35</b>

**Table -3 B : Details of Mining Leases where Mining lease Period Extended.**

Mineral	State/District	Village	Area in ha	Date of Extension order	Date up to which lease period extended.	Name & Address
Bauxite	Maharashtra Ratnagiri	Umbarshet	99.86	23.11.2015	03.01.2055	M/s Ashapura Minechem Ltd, 278, D.N. Road, Jeevan Udyog Bldg. 3 <sup>rd</sup> Floor, Fort, Mumbai, Maharashtra.
Bauxite	Maharashtra Ratnagiri	Rowale	218.28	05.11.2015	14.02.2055	M/s Ashapura Minechem Ltd, 278, D.N. Road, Jeevan Udyog Bldg. 3 <sup>rd</sup> Floor, Fort, Mumbai – 400 001, Maharashtra.
Bauxite	Maharashtra Ratnagiri	Gudheghar	91.58	05.11.2015	26.08.2060	M/s Infrastructure Logistics Pvt. Ltd.,Cidade de Goa, Vainguinim Beach, Donapaula, Goa – 403 004,
Bauxite	Maharashtra Kolhapur	Burambal, Panundre, Sonurle, Shirale ( Girgaon & Ringewadi block)	576.12	12.01.2016	20.04.2053	M/s Shivram Minerals, C/o Dongale & Son's, 1325/111, E-Ward, Shivaji Udyam Nagar, Kolhapur- 416 008 Maharashtra.
Chromite	Maharashtra Bhandara	Pauni	16.22	06.02.2016	31.03.2020	Shri B.K. Shukla, Block No. 301, A Wing, Lokmat Bhawan, Ramdaspath, Nagpur – 440 010 Maharashtra.
Dolomite	Madhya Pradesh Mandla	Kakaiya	05.11	01.02.2016	20.09.2047	Umakant Patel, Vill. Kakaiya, Tah. Bichiya, Distt. Mandla, Madhya Pradesh.
Dolomite	Madhya Pradesh Mandla	Kakaiya	06.81	01.02.2016	13.08.2052	Vinod Kumar Agarwal, Mandla, Madhya Pradesh.
Dolomite	Madhya Pradesh Mandla	Bhavartal	04.45	18.01.2016	10.06.2062	M/s Tal Minerals, Partner Neelu Pathak & Smt. Laxmi Agarwal, Civil Lines, Mandla, Madhya Pradesh.

Contd.

Contd. Table 3B

Mineral	State/District	Village	Area in ha	Date of Extension order	Date up to which lease period extended.	Name & Address
Dolomite	Madhya Pradesh Mandla	Kata (Mal)	01.81	22.01.2016	17.01.2047	Nitin Kumar Agarwal, Mandla, Madhya Pradesh.
Dolomite	Madhya Pradesh Mandla	Bhavartal	06.60	22.01.2016	08.05.2055	Smt Aruna Sihare, W/o Shri Narendra Kumar Sihare, Mandla, Madhya Pradesh.
Dolomite	Madhya Pradesh Mandla	Kakaiya	03.23	18.01.2016	30.03.2048	Vinod Kumar Agarwal, Mandla, Madhya Pradesh.
Iron ore	Maharashtra Gondia	Manegaon	11.00	20.11.2015	26.07.2055	M/s Jayaswal Neco Ltd, F/8,M.I.D.C. Industrial Area, Hingna Road, Nagpur – 400 016, Maharashtra.
Iron ore	Maharashtra Chandrapur	Waghalepeth	10.21	18.09.2015	01.06.2037	M/s Gahra Mineral Habib Nagar, Teka, Nagpur – 440 017, Maharashtra.
Iron ore	Maharashtra Chandrapur	Gunjewahi	15.07	03.10.2015	21.03.2033	M/s Gahra Mineral, Habib Nagar, Teka, Nagpur – 440 017, Maharashtra.
Iron ore	Maharashtra Sindhudurg	Redi	94.70	03.10.2015	31.03.2020	M/s Gogte Minerals, 146, Tilakwadi, Belgaum – 590 006, Karnataka.
Iron ore	Maharashtra Sindhudurg	Sateli	20.24	03.10.2015	23.10.2039	M/s Deccan Minerals Pvt. Ltd, “Nirmal” Central Wing, 16 <sup>th</sup> Floor, Nariman Point, Mumbai – 400 021, Maharashtra.
Iron ore	Maharashtra Sindhudurg	Tirvade	34.48	03.10.2015	18.06.2022	M/s Gogte Minerals, 146, Tilakwadi, Belgaum – 590 006, Karnataka.
Iron ore & Manganese ore	Maharashtra Sindhudurg	Kalne	32.25	01.12.2015	15.03.2059	M/s Minerals & Metals, 34, Ashutosh, Nepeansea Road, Mumbai – 400 036, Maharashtra.

Contd.

Contd. Table 3B

Mineral	State/District	Village	Area in ha	Date of Extension order	Date up to which lease period extended.	Name & Address
Kyanite, Silliminite & Pyrophyllite	Maharashtra Bhandara	Dighori	14.33	02.11.2015	28.12.2050	Pradeep M. Golchha, "Gokul" Behind Labour Court, Civil Lines, Nagpur – 440 001, Maharashtra.
Limestone & Dolomite	Maharashtra Yavatmal	Adegaon	30.00	09.11.2015	09.03.2048	Mrs. Dipali Gopal Gundawar, Utkarsh Nilmay Apartment, Jai Vihar Colony, Shop No. 11, Ring Road, Jaitala, Nagpur – 16, Maharashtra.
Limestone & Shale	Maharashtra Chandrapur	Naokari, Bakardi, Palgaon, Awarpur & Talodi	1030.58	26.11.2015	31.03.2030	M/s Ultra Tech Cement Co. Ltd, Awarpur Cement Works, Naokari Limestone Mine, Tah. Korpana, Distt. Chandrapur – 442 917, Maharashtra.
Limestone & Shale	Maharashtra Chandrapur	Bakhardi, Upparwahi, Gachhandur, Pimpalgaon, Lakhampur, Thutra & Sonapur	880.31	03.12.2015	13.12.2050	M/s Ambuja Cements Limited, At & PO– Upparwahi– 442 908, Tah. Korpana, Distt. Chandrapur, Maharashtra.
Limestone	Maharashtra Yavatmal	Majra	03.32	21.11.2015	16.10.2026	Narendra N. Warwatkar, Harsh Apartment, T- 13/A, Near Rani Laxmibai Sabhagruh, Laxmi Nagar, Nagpur – 22 Maharashtra.
Limestone	Maharashtra Chandrapur	Zutting	50.51	21.11.2015	24.01.2032	M/s Balaji Mineral Industries, Allapalli Road, Ballarpur – 442 701, Distt. Chandrapur, Maharashtra.
Limestone	Maharashtra Yavatmal	Wanjri	08.86	20.11.2015	16.10.2026	Shri Narendra N Warwatkar, Harsh Apartment, T- 13/A, Near Rani Laxmibai Sabhagruh, Laxmi Nagar, Nagpur – 22, Maharashtra.

Contd.

Contd.Table 3B

Mineral	State/District	Village	Area in ha	Date of Extension order	Date up to which lease period extended.	Name & Address
Limestone	Maharashtra Yavatmal	Pathri	21.37	16.11.2015	23.11.2061	M/s Shri Balaji Mineral Industries, Allapalli Road, Ballarshah – 442 701, Distt. Chandrapur, Maharashtra.
Limestone & Dolomite	Maharashtra Yavatmal	Mahakalpur	03.01	05.11.2015	15.09.2044	M/s Jayshree Metals and Minerals, P.B.No. 153, Opposite Sapna Talkies, Chandrapur – 442 401, Maharashtra.
Limestone & Shale	Maharashtra Yavatmal	Pathari	558.90	03.11.2015	31.03.2030	M/s Associated Cement Co. Ltd, Chanda Cement Works, P.O. Cement Nagar, Distt. Chandrapur – 442 502 Maharashtra.
Limestone & Dolomite	Maharashtra Yavatmal	Adegaon	09.97	02.11.2015	30.06.2053	M/s Eshan Minerals, Corporate Office : Madhava Apartment, Row House No. 2, Kadbi Chowk, Clarke Town, Nagpur – 440 004 Maharashtra.
Limestone	Maharashtra Chandrapur	Zutting	18.20	16.10.2015	08.03.2027	V. Raghvendra Prasad, Legal Heir of Late V. Suguna Bhushan Rao, Gorakshan Ward, Alapalli Road, P.O. Ballarpur, Distt. Chandrapur – 442 701, Maharashtra.
Limestone	Maharashtra Chandrapur	Sonapur & Thutra	49.00	14.12.2015	23.05.2056	M/s Ambuja Cements Limited, At & PO–Upparwahi–442 908, Tah. Korpana, Distt. Chandrapur, Maharashtra.
Limestone & Shale	Maharashtra Chandrapur	Thutra , Lakhmapur, Hirapur, Isapur & Sonapur	579.90	18.12.2015	30.12.2034	M/s Ambuja Cements Limited, At & PO–Upparwahi–442 908, Tah. Korpana, Distt. Chandrapur, Maharashtra.

Contd.

Concl. Table 3B

Mineral	State/District	Village	Area in ha	Date of Extension order	Date up to which lease period extended.	Name & Address
Limestone	Maharashtra Yavatmal	Wanjri	11.89	27.10.2015	16.10.2026	Avinash N. Warwatkar, Vaibhav Appartment, Flat No. 9, 1st Floor, Shivaji Nagar, Cement Road, 203, Nagpur – 10, Maharashtra.
Limestone	Maharashtra Chandrapur	Naokari & Kusumbi	302.58	16.12.2015	16.08.2031	M/s Manikgarh Cements, Limited, PO–Gadchandur, Tah. Korpana, Dist. Chandrapur, 442 908, Maharashtra.
Manganese & Iron ore	Maharashtra Sindhudurg	Satali	52.12	04.11.2015	28.06.2031	M/s The Deccan Minerals Pvt. Ltd, “Nirmal” Central Wing, 16 <sup>th</sup> Floor, Nariman Point, Mumbai – 400 021 Maharashtra.
Manganese & Iron ore	Maharashtra Sindhudurg	Redi ( Mauli)	32.83	03.11.2015	22.04.2020	M/s New India Mining Corporation Pvt. Ltd, “Nirmal” Central Wing, 16 <sup>th</sup> Floor, Nariman Point, Mumbai – 400 021, Maharashtra.
Manganese ore	Maharashtra Nagpur	Beldongari	12.99	09.11.2015	31.03.2020	M/s MOIL LIMITED, 1-A. MOIL Bhavan, Katol Road, Nagpur – 440 013 Maharashtra.
Manganese ore	Maharashtra Nagpur	Kirnapur	23.67	01.10.2015	07.04.2053	Veet Rag Homes Pvt. Ltd, 267, Ganesh Phadnavis Bhavan, Near Trikoni Park, Dharampeth, Nagpur –440 010, Maharashtra,
Manganese ore	Maharashtra Nagpur	Bhandarbodi	07.38	29.09.2015	22.03.2033	D.P. Rai, “Nanhaka”, 10 East High Court Road, Ramdaspath, Nagpur – 440 010, Maharashtra.
Manganese ore	Maharashtra Sindhudurg	Sateli	40.37	03.10.2015	23.10.2039	M/s Deccan Minerals Pvt. Ltd, “Nirmal” Central Wing, 16 <sup>th</sup> Floor, Nariman Point, Mumbai – 400 021, Maharashtra.

Contd.

Concl. Table 3B

Mineral	State/District	Village	Area in ha	Date of Extension order	Date up to which lease period extended.	Name & Address
Manganese ore	Maharashtra Nagpur	Bhandarbodi	04.86	13.10.2015	18.01.2057	M/s Trimurty Commercial Pvt. Ltd, 4 <sup>th</sup> Floor, Poonam Plaza, Palm Road, Civil Lines, Nagpur – 440 001, Maharashtra.
Manganese ore	Maharashtra Nagpur	Parseoni	01.82	14.10.2015	01.11.2029	M/s Felex Enterprises Pvt. Ltd, H-108, B, Connaught Circus, New Delhi – 110 001.
Manganese ore	Maharashtra Nagpur	Bhandarbodi	04.63	05.10.2015	27.11.2061	M/s Pavri Kyanite Mines, Cimmco House, A- 1, Indrasagar, R. Tagore Marg, Civil Lines, Nagpur – 440 001, Maharashtra.
Manganese ore	Maharashtra Nagpur	Mansar	05.74	21.10.2015	31.03.2020	M/s MOIL LIMITED, 1-A, MOIL Bhavan, Katol Road, Nagpur – 440 013, Maharashtra.
Manganese ore	Maharashtra Bhandara	Navegaon	15.90	30.10.2015	21.03.2060	M/s Sunflag Iron and Steel Co. Ltd, 33, Mount Road, Sadar, Nagpur – 440 001, Maharashtra.
Manganese ore	Maharashtra Nagpur	Gumgaon & Khapa	01.33	21.10.2015	31.03.2020	M/s MOIL LIMITED, 1-A, MOIL Bhavan, Katol Road, Nagpur – 440 013, Maharashtra.
Pyrophyllite, Kyanite, Sillimanite, Corundum & Other Alluminus minerals	Maharashtra Bhandara	Kaneri	03.96	30.10.2015	28.04.2056	Ajit Kumar Jain, Jai Stmbha Chowk, Gondia – 441 601, Distt. Bhandara, Maharashtra.



#### **D. Mining Lease Period Executed after Grant of Extension of Mining Lease Period.**

During the period under review, the information pertaining to the execution, after grant of extension of Lease period, for 21 Mining Leases covering an area of about 420.11 hectares was received. Of these Soapstone accounted 2 leases followed by Silicasand & Quartz accounted for one lease each. The extension of leases period executed in respect of two or more minerals in association (Group of Minerals) were 17.

Reviewing area wise, Soapstone accounted for 56.6 ha. followed by Quartz 4.84 ha and Silicasand 4.20 ha. The mining lease period executed for two or more minerals (Group of Minerals) accounted for 354.47 ha area.

The extension of leases period for all the 21 mining leases were executed in Rajasthan state only.

The mineral wise number of mining lease period executed together with lease area and details of mining leases executed are given in Tables 4A & 4B.

**Table 4A : Details of Mining Leases Executed after Extension of Mining Lease Period.  
(By Minerals)**

<b>Mineral</b>	<b>No.of Mining Leases Executed</b>	<b>Area in ha</b>
Silicasand	1	4.20
Soapstone	2	56.60
Quartz	1	4.84
Group of Minerals	17	354.47
<b>Total</b>	<b>21</b>	<b>420.11</b>

**Table 4 B– Mining Lease Period Executed after Grant of Extension of Mining Lease Period.**

Mineral	State/ District	Village	Area in ha	Date of Execution/ Registration	Date up to which lease period extended.	Name & Address
Feldspar Quartz/ Mica	Rajasthan Ajmer	Devpura	4.67	22.09.2015 26.10.2015	14.10.2048	Shri Ramlal Gurjar, S/o Shri Gangaram Gurjar, Vill. Kheda Hetam, Post Phuliyakalan, Tah. Shahpura, Distt. Bhilwara, Rajasthan.
Quartz/ Feldspar	Rajasthan Rajsamand	Boraj	4.54	09.12.2015 15.12.2015	22.07.2057	Sher Khan Chouhan, S/o Shri Multan Ali Chouhan, Rajmahal Palace, Raza Colony, Rajsamand, Rajasthan.
Quartz/ Feldspar	Rajasthan Rajsamand	Boraj	4.88	09.12.2015 15.12.2015	06.08.2058	Habib Khan Chouhan, S/o Shri Haji Multan Ali Chouhan, Raza Colony, Rajnagar, Rajsamand, Rajasthan.
Quartz/ Feldspar	Rajasthan Rajsamand	Charana	4.12	17.12.2015 17.12.2015	31.08.2057	Smt. Sangita Kansara, W/o Shri Kamlesh Kansara, Holithada, Jain Mohalla, Kankroli, Tah. & Distt. Rajsamand, Rajasthan.
Quartz/ Feldspar/ Mica	Rajasthan Ajmer	Derathu	4.68	22.09.2015 29.09.2015	15.03.2061	Dinesh Chauhan, S/o Shri Mangal Singh Chauhan, "Abhishek" 14, Krishna Nagar, Near Utsav Watika, Masuda Road, Beawar, Distt. Ajmer, Rajasthan.
Quartz/ Feldspar/ Mica	Rajasthan Ajmer	Jhadwasa	5.00	22.09.2015 22.09.2015	03.01.2043	Kripa Kishan Sharma, S/o Shri R.K.Sharma, 445, Keshav Nagar, Ajmer, Rajasthan.
Quartz/ Feldspar/ Mica	Rajasthan Rajsamand	Kering Ji ka Kheda	04.93	01.10.2015 01.10.2015	29.11.2043	Smt. Manju Jain, W/o Shri Parasmal Jain, 94, C.S. Lodha Nagar, Beawar, Dist. Ajmer, Rajasthan.
Quartz/ Feldspar/ Mica	Rajasthan Ajmer	Nayagaon	4.00	07.07.2015 07.07.2015	20.10.2058	Shaitan Singh S/o Shri Devaji Vill. Lulva, Aakhawatn ka Badiya, Post Nayagaon, Tah. Masuda, Distt. Ajmer, Rajasthan.

Contd.

Contd. Table 4B

Mineral	State/ District	Village	Area in ha	Date of Execution/ Registration	Date up to which lease period extended.	Name & Address
Quartz/ Feldspar	Rajasthan Rajsamand	Podavali	4.92	09.12.2015 15.12.2015	06.08.2058	Yusuf Ali Chouhan, S/o Shri Multan Ali Chouhan, Rajmahal Palace, Raza Colony, Rajsamand, Rajasthan.
Quartz/ Feldspar	Rajasthan Rajsamand	Podavali	4.80	09.12.2015 05.12.2015	22.07.2057	Sher Khan Chouhan, S/o Shri Multan Ali Chouhan, Rajmahal Palace, Raza Colony, Rajsamand, Rajasthan.
Quartz/ Feldspar	Rajasthan Rajsamand	Podavali	4.88	09.12.2015 15.12.2015	06.08.2058	Shri Habib Khan Chouhan, S/o Shri Haji Multan Ali Chouhan, Rajmahal Palace, Raza Colony, Raj Nagar Rajsamand, Rajasthan.
Quartz/ Feldspar/ Feldspar	Rajasthan Pali	Sumel (Ruppura)	4.31	20.08.2015 08.09.2015	13.09.2059	Smt. Genda Devi W/o Shri Anandaram Navariya, Borunda, Tah. Bilada, Distt. Jodhpur, Rajasthan.
Quartz/ Feldspar	Rajasthan Rajsamand	Talai	4.95	09.12.2015 15.12.2015	22.07.2057	Yusuf Ali Chouhan, S/o Shri Multan Ali Chouhan, Rajmahal Palace, Raza Colony, Rajsamand, Rajasthan.
Quartz/ Feldspar	Rajasthan Rajsamand	Zhadsadadi	4.00	15.09.2015 18.09.2015	22.05.2063	M/s Sanwriya Mines & Minerals, Prop. Shri Uday Lal Dangi, S/o Shri Kamal Chand Dangi, Mavli Road, Dabok Square, Tah. Mavli Distt. Udaipur, Rajasthan.
Soapstone	Rajasthan Rajsamand	Kagamdar	51.80	21.09.2015 12.10.2015	31.03.2030	M/s Apek Mineral Industry Udaipur, Director Dr. M.S. Singhvi, S/o Shri Kanhaiya Lal Singhvi, 172-A, Fatehpura Udaipur, Rajasthan.
Soapstone	Rajasthan Rajsamand	Karoli	4.80	21.09.2015 12.10.2015	28.03.2055	M/s Usha Lime & Cement Pvt. Ltd, Dr. M.S. Singhvi, S/o Shri Kanhaiya Lal Singhvi, 172-A, Fatehpura Udaipur, Rajasthan.

Concl'd. Table 4B

Mineral	State/ District	Village	Area in ha	Date of Execution/ Registration	Date up to which lease period extended.	Name & Address
Soapstone/ Dolomite	Rajasthan Rajsamand	Odan	144.76 0	17.09.2015 17.09.2015	31.03.2030	M/s Khaitan Business Corporation Pvt. Ltd, Nathdwar, Dist Rajsamand, Rajasthan.
Soapstone/ Dolomite	Rajasthan Rajsamand	Rabcha I	46.62	17.09.2015 17.09.2015	31.03.2030	M/s Khaitan Business Corporation Pvt. Ltd, Nathdwara, Distt. Rajsamand Rajasthan.
Soapstone/ Dolomite	Rajasthan Rajsamand	Rabcha II	98.41	17.09.2015 17.09.2015	31.03.2030	M/s Khaitan Business Corporation Pvt. Ltd, Nathdwara, Distt. Rajsamand, Rajasthan.
Silica sand	Rajasthan Rajsamand	Karoli	04.20	02.02.2016 02.02.2016	21.12.2057	Mohan Singh Rajput, S/o Shri Bhanvar Singh, Rajput, 'Vill. Paraval Tah. Nathdwara, Distt. Rajsamand, Rajasthan.
Quartz	Rajasthan Rajsamand	Kotdi	04.84	02.02.2016 02.02.2016	08.02.2060	M/s Bhairavnath Mines & Minerals, Partner Shri Mahendra Kothari, S/o Shri Roshan Lal Kothari, Mangalam, 17, Tilak Nagar, Hiran Magri, Sector No. 3, Udaipur, Rajasthan.

**E. Mining Leases Renewed**

**Table-5: Details of Mining Leases Renewed**

Mineral	State/District	Village	Area in ha	Date of Renewal	Period in Years (From date of Execution/ Registration )	Name & Address
No such information is received during the period.						

**F. Mining Leases Revoked**

**Table -6: Details of Mining leases Revoked**

Mineral	State/District	Village	Area in ha	Date of Revoke	Period in Years	Name & Address
No such information is received during the period.						

### G. Mining Leases Determined

**Table: 7– Details of Mining Leases Determined  
(By Minerals)**

Mineral	No.of Mining Leases Revoked	Area in ha
No such information is received during the period.		

### H. Mining Leases Surrendered

**Table – 8: Details of Mining Leases Surrendered**

Mineral	State / District	Village	Area in ha	Date of Surrender	Name & Address
No such information is received during the period.					

### I. Mining Leases Terminated

**Table – 9: Details of Mining Leases Terminated**

Mineral	State / District	Village	Area in ha	Date on which lease Terminated	Name & Address
No such information is received during the period.					

### J. Mining Leases Transferred

**Table – 10A: Details of Mining Leases Transferred**

Mineral	State / District	Village	Area in ha	Name and Address		Period (in Yrs.) (From date of Grant of Lease)	Date of Transfer of Deed
				Transferor	Transferee		
No such information is received during the period.							

**Table – 10B: Details of Transferred Mining Leases Executed / Registered**

Mineral	State / District	Village	Area in ha	Name and Address		Period (in Yrs.)/ Dt of expiry.	Date of Execution/ Registration of transfer deed
				Transferor	Transferee		
Feldspar/ Quartz	Rajasthan Ajmer	Ramgarh	4.80	Shri Mohmad Hussain Kathat, S/o Shri Mohammad Hajari, Beawar, Rajasthan.	M/s United Rock Stones Pvt. Ltd., Ajmer Road, Beawar, Distt. Ajmer, Rajasthan.	50/ 20.12.2062	20.08.2015 26.08.2015
Quartz/ Feldspar	Rajasthan Rajsamand	Daula Ji ka kheda	4.82	Shri Mahant Manish Swamy	M/s Deepganga Minerals, Kamlighat Deepganga, Near Railway Gate, N H 8, Kamlighat Square, Devgarh, Tah. Devgarh, Distt. Rajsamand, Rajasthan.	50 27.09.2065	21.09.2015 28.09.2015
Quartz/ Feldspar	Rajasthan Rajsamand	Dhelana	4.00	Shri Virendra Singh Shekhawat S/o Shri Sawai Singh Shekhawat	Smt. Anand Kanwar, W/o Late Shri Virendra Singh Shekhawat, Kelwa, Tah & Distt- Rajsamand, Rajasthan	50 22.08.2057	27.11.2015 27.11.2015
Quartz/ Feldspar	Rajasthan Rajsamand	Dhelana	4.00	Shri Virendra Singh Shekhawat S/o Shri Sawai Singh Shekhawat	Smt. Anand Kanwar, W/o Late Shri Virendra Singh Shekhawat, Kelwa, Tah & Distt- Rajsamand, Rajasthan	50 10.01.2058	27.11.2015 27.11.2015

Mineral	State / District	Village	Area in ha	Name and Address		Period (in Yrs.)/ Dt of expiry.	Date of Execution/ Registration of transfer deed
Quartz/ Feldspar	Rajasthan Rajsamand	Heera Kheda	4.53	Rajesh Kumar Choudhary S/o Shri Sardar Singh	M/s Charbhujia Mines & Minerals Sadar Bazar Putholi, Tah. Gangrar, Distt. Chittorgarh, Rajasthan.	50 27.09.2065	21.09.2015 28.09.2015
Quartz/ Feldspar	Rajasthan Rajsamand	Panadi	4.50	Sajjan Singh Rao	M/s Nand Enterprises, Prop. Smt. Vinod Kanwar, W/o Shri Bharat Singh, Kundwa, Tah. Devgarh, Distt. Rajsamand, Rajasthan.	50 14.09.2065	10.09.2015 15.09.2015
Quartz/ Feldspar	Rajasthan Ajmer	Sangarwas	4.79	Jitendra Pawar, S/o Shri Rameshwar Lal Pawar, Beawar Rajasthan.	M/s United Stones Pvt. Ltd, Beawar, Rajasthan.	50/ 05.12.2062	20.08.2015 24.08.2015
Quartz/ Feldspar	Rajasthan Rajsamand	Upli Miari	4.89	Nimish Singhvi, S/o Shri Shyam Sundar Singhvi, Shishu Gruha Shala, Near Meera Park, Chittorgarh, Rajasthan.	Shri Mohmad Tarif Chouhan, S/o Shri Mohamad Ali Chouhan, Raza Colony, Rajnagar, Rajsamand, Rajasthan.	50/ 27.12.2056	27.04.2015 24.04.2015
Quartz/ Feldspar	Rajasthan Rajsamand	Jaitpura	04.0 0	Shri Subhash Chandra Sharma Beawar, Distt- Ajmer, Rajasthan	M/s Harsha Mines & Minerals, C/o Shri Paras Chandra Jain, S/o Shri Deepak Chandra Jain, First Floor S 8-9 Pur Road, Ricco First Step, Bhilwara, Rajasthan.	50/ 30.10.2055	02.06.2015 03.06.2015

## K. Mines Opened

**Table – 11: Details of Mines Opened**

Mineral	State/District	Name of Mine	Village	Date of Opening	Area In ha	Name & Address
No such information is received during the period.						

## L. Mines Temporarily Discontinued

**Table – 12: Details of Mines Temporarily Discontinued**

Mineral	State/ District	Name of Mine	Village	Date of Disconti- nuance	Reason	Area in ha	Name & Address
No such information is received during the period.							

## M. Mines Reopened

**Table – 13: Details of Mines Reopened**

Mineral	State / District	Name of Mine	Village	Date of Reopening	Area in ha	Name & Address
No such information is received during the period.						

## N. Mines Abandoned

**Table – 14: Details of Mines Abandoned**

Mineral	State / District	Name of Mine	Villag e	Date of Abandonment	Reason	Area in ha	Name & Address
No such information is received during the period.							



## 2.2 TREND IN PROSPECTING

### A. Prospecting Licences Granted

**Table – 15 : Prospecting Licences Granted  
(By Minerals)**

Mineral	State / District	Village	Area in sq.km/ha	Date on which licences Granted	Period in Years	Name & Address
No such information is received during the period.						

### B. Prospecting Licences Executed

**Table – 16 : Details of Prospecting Licences Executed**

Village	Mineral	State / District	Area in ha	Date of Execution	Period in Year s	Name & Address
No such information is received during the period.						

### C. Prospecting Licences Renewed

**Table –17: Details of Prospecting Licences Renewed**

Mineral	State/District	Village	Area in ha	Date of Renewal	Period in Years	Name & Address
No such information is received during the period.						

### D. Prospecting Licences Revoked

During the period under review, information pertaining to the revoking of 8 prospecting licences covering an area of 864.54 ha was received. Of these Calcite accounted for 4 PL and Limestone (cement grade) accounted for one PL. In addition to this 3 PL were revoked in respect of two or more minerals in association (Group of Minerals).

Reviewing areawise Calcite accounted for 122.86 ha, followed by Limestone (cement grade) 648.97 ha. Prospecting licences revoked in respect of two or more minerals in association (Group of Minerals) covered 92.71 ha.

Reviewing statewide prospecting licences all the 8 PLs were revoked in Rajasthan state alone covering an area of 864.54 ha.

The details of mining lease revoked is given below in Tables 18A & 18B.

**Table: 18 A – Details of Prospecting Licences Revoked  
(By Minerals)**

Mineral	No.of Mining Leases Revoked	Area in ha
Calcite	4	122.86
Limestone (Cement grade)	1	648.97
Group of Minerals	3	92.71
<b>Total</b>	<b>8</b>	<b>864.54</b>

**Table – 18 B Details of Prospecting Licences Revoked**

Mineral	State/District	Village	Area in ha	Date of Revoke	Name & Address
Calcite	Rajasthan Udaipur	Kuradi	40.00	28.10.2015	M/ s Kalyani Ceramics, C-211,Divya Jyoti Apartment, New Bhupalpura, Udaipur – 313 001, Rajasthan.
Calcite	Rajasthan Udaipur	Tarpal	25.00	28.10.2015	M/s S.C.B. Mineral Resources Pvt. Ltd, GA – 04, M.G. Road Sultanpur,New Delhi.
Calcite	Rajasthan Udaipur	Tarpal	25.30	28.10.2015	M/s S.C.B. Mineral Resources Pvt. Ltd, GA – 04, M.G. Road Sultanpur,New Delhi.
Calcite	Rajasthan Udaipur	Thamla	32.56	28.10.2015	M/s Kalyani Ceramics, C-211,Divya Jyoti Apartment, New Bhupalpura, Udaipur – 313 001, Rajasthan.
Calcite, Feldspar, Quartz	Rajasthan Udaipur	Rabach	28.06	28.10.2015	M/s Mewad Ispat Mines & Minerals, 15, New Glass Factory Colony, Near AIM Computer, Sundarwas, Distt. Udaipur – 313 001, Rajasthan.
Calcite, Feldspar, Quartz	Rajasthan Udaipur	Rabach	38.77	28.10.2015	M/s Mewad Ispat Mines & Minerals, 15, New Glass Factory Colony, Near AIM Computer, Sundarwas, Distt. Udaipur –313 001, Rajasthan.
Calcite, Feldspar, Quartz	Rajasthan Udaipur	Rabach	25.88	28.10.2015	M/s Mewad Ispat Mines & Minerals, 15, New Glass Factory Colony, Near AIM Computer, Sundarwas, Distt. Udaipur – 313 001, Rajasthan.

Contd.

Concl'd Table 18 B

Mineral	State/District	Village	Area in ha	Date of Revoke	Name & Address
Limestone (Cement Grade)	Rajasthan Jodhpur	Borudnda	648.97	20.10.2015	M/s Artha Cement Pvt. Ltd, Hariom, Behind Wet Bridge, New Glass Factory Colony, Udaipur – 313 001, Rajasthan.

### 2.3 TREND IN RECONNAISSANCE PERMITS (R.P.)

**Table – 19: Details of Reconnaissance Permits**

Mineral	State/District	Area in sq km	Date of Approval of Grant	Name & Address
No such information is received during the period.				

## Section – 3

### Production of Mineral-based Products

**Table – 20: Production of Mineral-based Products during January 2014 to December 2015**

(ITEM-LEVEL INDICES OF INDUSTRIAL PRODUCTION; BASE YEAR: 2004-05 = 100)

Mineral-Based Products	Unit	←-----Months-----→	Cumulative
Latest information is not available			

## **SECTION – 4**

### **Highlights**

#### **A Domestics**

##### **Safeguard duty on steel ‘drives value addition abroad’**

The levy of 20 per cent safeguard duty on hot-rolled steel coils has driven away the first level of value addition in steel processing to the foreign shores. Major importers are now booking cold rolled (full hard) coils for delivery later this month almost at the same price they were shipping in HR coils before the duty was levied. Cold rolled steel is the first value addition to hot rolled coils produced by steel companies. “Importers have booked cold rolled full hard sheets at \$320 a tonne from China for delivery in October. Similar offers are being made by Brazil, Russia, Korea and Japan, the countries which are most hit by the safeguard duty,” said a steel company official.

**(Business Line, 02 October 2015)**

##### **Mineral Foundations to be formed in all districts to expedite development**

In accordance with the provisions of Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) and under Mines and Minerals (Development and Regulation) Act 2015, Maharashtra Government will setup District Mineral Foundations in all districts with mining activities to use the funds for developmental activities.

**(The Hitwada 09 October 2016)**

##### **Goa iron ore miners seek scrapping of export duty**

Goa’s iron ore miners have sought withdrawal of export duty on ore with less than 58 per cent iron content as well as an amendment to the Mines and Minerals (Development and Regulation) Act to allow dumping of mineral rejects outside the lease area.

Mining activity has begun in around 15 of the 56 mines where leases were renewed after a two-and-half-year ban on mining in the State. Iron ore is amongst the minerals which have suffered in the global commodity price slide. While global prices were above \$100 a tonne prior to the ban, today the quality of iron ore produced in Goa costs around \$35-40 a tonne in the international market.

**(Business Line, 11 October 2015)**

### **Hindustan Copper's Surda mine to restart next year**

Hindustan Copper Ltd has overcome a major hurdle in re-commencing its ₹ 210 crore Surda mine expansion project work, which was suspended for months because of a dispute between the lead contractor and the sub-contractor.

According to sources, the project work is expected to begin from January. The principal project contractor Sriram EPC (SEPC) and sub-contractor Indian Resources Copper Mining (P) Ltd (IRCMPL), have ended their stand off, through a settlement.

**(Business Line, 20 October 2015)**

### **Iron ore blocks in Karnataka identified for auctions**

Karnataka has identified 15 iron ore blocks for mining lease auctions in the State. "While the timeline is still flexible, the State has informed that auctions will be held before March 2016," a senior official of the Mines Ministry said. Karnataka has appointed Crisil as the transaction advisor while it is also in the process of appointing MSTC as the auction platform provider.

The mineral bearing States had a meeting with Mines Secretary Balvinder Kumar last month in Bengaluru. A total of 71 blocks were identified for auction of mining lease as well as the composite licence of prospecting licence-cum-mining lease in various States. Of these, 20 are iron ore blocks, and while the majority are limestone blocks.

**(Business Line, 22 October 2015)**

### **Tata Steel's Odisha SEZ gets first investment**

Sure Safety Solutions has tied up with United Kingdom-based Meggitt Defence to produce aerial target products for defence sector at the special economic zone being promoted by Tata Steel near its yet-to-be-commissioned six-million tonne greenfield field steel plant in Odisha.

Sure Safety Solutions will invest ₹50-60 crore in the plant spread over five acres. Coming up under the 'Make in India' scheme, it is expected to start production by June next year. To start with, the plant will produce aerial target products and service the \$50 million order procured by Meggitt Defence from the Ministry of Defence.

**(Business Line, 27 October 2015)**

### **NMDC: charts vision 2025 to raise iron ore capacity**

NMDC Ltd has charted out Vision 2025, under which it seeks to reorient its business model and strategise to retain its market leadership in the domestic market. According to NMDC, the whole exercise is aimed at ensuring raw material security for Indian industry. The NMDC's Vision 2025 aims to increase the iron ore mining capacity to 75 million tonnes per annum (mtpa) by 2018-2019 and 100 mtpa by 2021-2022.

**(Business Line, 05 November 2015)**

### **Vedanta in cost cutting mode to keep mining in Goa viable**

Vedanta is stepping up efforts to reduce operational cost to keep iron ore mining in Goa viable. Mining has come under stress with the price of ore, with 56 per cent iron content, being mined in Goa has now plunged to \$32 a tonne from \$140 a tonne few years ago. The payout for taxes and levies is adding to the costs.

Shri Kishore Kumar, CEO, Vedanta (Iron Ore Business), said while the price of ore has dropped, the cost has been on a steady rise. About 40 per cent of Vedanta's revenue goes to paying government taxes and levies. "Of the realisation of \$32, about \$14 goes to the Government as taxes and levies and the cost of production is \$20 per tonne," he said. The Government is yet to consider Goa miner's appeal to remove the 10 per cent export duty on low grade iron ore being mined from the State.

**(Business Line, 07 November 2015)**

### **Govt cuts import tariff value on gold, silver**

The government on Friday slashed the import tariff value on gold and silver to \$354 per 10 grams and \$ 470 per kg respectively taking weakness in global market. For the first fortnight, the tariff value on imported gold was fixed at \$ 373 per 10 grams and on silver it was \$ 517 per kg.

The import tariff value is the base price at which the customs duty is determined to prevent under-invoicing. It is normally revised on a fortnightly basis. The change in tariff value of these precious metals have been notified by the Central Board of Excise and Customs, said an official statement issued by the Finance Ministry.

**(Hindu, 14 November 2015)**

## **Tata Steel gets green nod for sand mining in Bengal**

Tata Steel has received green clearance for mining of mineral sand, used in coal production, from the river bed of Gowai in Purulia District, West Bengal with a proposed production capacity of 0.2 million tonnes per annum.

The company said it requires three million tonnes (mt) of sand annually for its coal production of 1.91 MT from five coal mines in Jharia coalfields. The sand dunes of Gowai river will significantly meet its requirement for stowing and stabilisation of the mines.

**(Business Line, 16 November 2015)**

## **Rock stethoscope to reduce mining accidents**

A Stethoscope-like instrument will soon be deployed in mines for predicting movement of rocks during excavation and minimize the risk of mining accidents. Developed by IIT Kharagpur researchers, the "Instrumented Rock Bolt" can forecast vital information of rock movement before any unwanted accident occurs. Field trials at Asansol coal mines of West Bengal have yielded positive results after which experiments would soon be done in the copper mines of Madhya Pradesh.

**(The Hitwada, 26 November. 2015)**

## **Bauxite mining will ruin peace in Eastern Ghats: JAC**

The move of the AP Government to allow bauxite mining in the Eastern Ghats of Visakhapatnam district will disturb peace in the hills, O. Ramamurthy, the convenor of anti-bauxite JAC, has said. Condemning the White Paper released by the State Government on bauxite mining, he said it was unfortunate that the document was only on bauxite and did not refer other tribal issues or their welfare. "The Government is responsible for the welfare of the citizens and it has taken a decision that will displace thousands of tribals that affect the lives of both tribals and people living in the plains," he said.

Bauxite mining would lead to contamination of water sources and rivulets emanating from the hills and the reservoirs at Sileru, Raiwada and Thatipudi that supply water for irrigation and drinking water would be affected, he said.

**(Business Line, 27 November 2015)**

### **Nalco launches venture with Gujarat Alkalies**

Aluminium major NALCO today launched a joint venture with Gujarat Alkalies and Chemicals Limited (GACL) to set up a caustic soda plant at an investment of ₹1,800 crore, an official source said. The two firms will come together to set up a caustic soda plant at Dahej in Gujarat. NALCO CMD T K Chand on today laid the foundation stone of the proposed plant. The new JV Company GACL-NALCO Alkalies & Chemicals Private Limited, in which NALCO holds 40 per cent share capital, while GACL holds the rest, plans to produce 2.7 lakh tonnes of caustic soda per annum.

**(Business Line, 09 December 2015)**

### **Anti-dumping duty slapped on stainless steel products**

India on Friday imposed anti-dumping duty of up to 57.39 per cent on import of certain stainless steel products from China, Korea, the U.S. and EU for five years to save the domestic industry from cheap shipments.

“The anti-dumping duty imposed under this notification shall be levied for a period of five years (unless revoked, superseded or amended earlier)...,” according to a statement from the Central Board of Excise and Customs (CBEC).

**(The Hindu, 12 December 2015)**

### **Uttam Galva to use Posco technology for new steel plant in Maharashtra**

Uttam Galva Metallics has signed an agreement with South Korean alloy major Posco to use its steel making technology at the upcoming 1.5 million tonnes plant at Wardha in Maharashtra.

Both the companies have already floated a joint venture Posco Uttam Galva Metallics for setting up the plant, which is expected to be operational by April 2019. The plant, which will use low grade iron ore mined from Goa, plans to use Posco's Finex (Fine Ore Reduction Process) and Cem (Compact Endless Casting and Rolling mill) technologies.

**(Business Line, 23 December 2015)**

### **Govt Scraps 5% Export Duty on Iron Ore Pellets**

The Government has scrapped a 5% exports duty imposed on iron ore pellets, as it meets yet another demand of the domestic steel and mining sector reeling under low demand and weak price.

**(The Economic Times, 6 January 2016)**



### **Hindustan Zinc to invest ₹8,000 cr.**

Hindustan Zinc Ltd (HZL) will invest ₹8,000 crore in the next 3-5 years as the Vedanta Group firm looks to expand operations and capacity. The firm aims to take the existing ore production levels of 9.36 million tonnes per annum (MTPA) to 14 MTPA and finished metal production to 1.10 MTPA from 0.85 MTPA.

“As the company celebrates its Golden Jubilee year, it is all set to invest another ₹8,000 crore in the coming 3-5 years on expansion of its mines and smelting operations,” it added. Vedanta Group Chairman Anil Agarwal said: “When we acquired HZL as part of government’s disinvestment programme in 2002, our focus was to make India self-sufficient in zinc. “We are very proud that by adopting latest environment friendly technology, large investment in capacity expansions and continuous exploration, HZL is able to increase production five-fold and yet have reserves for another 30 years.”

**(The Hindu, 10 January 2016)**

### **Captive mine transfer bill set for assent**

The government is keen to allow the transfer of leases of captive mines such as iron ore and limestone.

It has decided to amend the Mines and Minerals (Development and Regulation) Act once again to allow the transfer of leases for captive purpose obtained prior to auctions.

"The transfer provisions will also allow mergers and acquisitions of companies and facilitate ease of doing business for companies to improve profitability and decrease costs of the companies dependent on supply of mineral ore from captive leases," the short statement of objectives of the draft bill states. The bill is likely to come up before Parliament in the budget session.

**(The Telegraph, 12 January 2016)**

### **Apex court stops govt from selling residual stake in Hindustan Zinc**

Questioning the government’s “hurry” to divest its remaining stake in Hindustan Zinc Ltd (HZL), the Supreme Court on Tuesday directed the Centre to put on hold a plan to offload its 29 per cent share in the erstwhile public sector unit, now a subsidiary of Vedanta.

Majority stake in HZL, which deals with strategic minerals, was first divested to Vedanta in 2003. “What is the hurry to hand over valuable assets worth lakhs of crores? Without permission of the court, you can’t go for disinvestment,” a Bench led by Chief Justice TS Thakur told the government, represented by Attorney General Mukul Rohatgi.

Chief Justice Thakur insisted on status quo in the Hindustan Zinc disinvestment, while advising the government against bowing out of HZL. “Don’t do this and don’t go for the disinvestment. We will hear the matter. We will not allow you to sell,” Thakur said.

**(Business Line, 20 January 2016)**

### **Indian Bureau of Mines, NRSC to work on satellite imagery**

The Indian Bureau of Mines, Ministry of Mines has entered into a memorandum of understanding with the National Remote Sensing Centre (NRSC), Department of Space for monitoring of mining activity through satellite imagery. This initiative is part of the Prime Minister Narendra Modi's Digital India drive. Under the MoU, NRSC will demonstrate the use of high resolution satellite imagery in the monitoring of mining activity/changes over a period of time and over selected group of mines at two locations of Indian Bureau of Mines on a pilot basis.

This includes checking and validation of the consistency of Different Geo Positioning System (DGPS) points collected as part of lease boundary survey programme of selected group of mines.

The project has been named Sudoor Drishti. Bhuvan-based services will be used for the monitoring of mining activities and development of mobile app for field data collection to verify the ground realities with respect to the approved proposals of mines in Odhisa and Karnataka.

**(Business Line, 22 January 2016)**

### **Mines Ministry urges States to consider sharing royalty with exploration companies**

The Ministry of Mines has asked the State governments to consider sharing the mining royalty with companies undertaking exploration activities. “The States have to agree to the proposal before we can go forward as they have to forego a part of the royalty. We have asked the States to give their recommendations to the proposal. I believe the States will agree as better data about the existence of minerals will lead to higher bids and more production in the State,” a senior official of the Mines Ministry told *BusinessLine*. The proposals are part of the National Mineral Exploration Policy which aims to boost exploration activities. The mining industry has raised concerns about the quantity and quality of available geological data for conducting mineral block auctions and the new policy seeks to address them.

**(Business Line, 04 February 2016)**

## **Government imposes minimum import price on 173 steel items**

The government has imposed a minimum import price (MIP) ranging from \$341 to \$752 per tonne on 173 steel products to provide relief to local steel makers hurt by an increase in cheap imports of these items.

A notification of the Directorate General of Foreign Trade (DGFT) said, "MIP is introduced against 173 HS Codes (iron and steel products)." The MIP conditions are valid for six months from the date of the notification (February five) or until further orders, whichever is earlier, it said. However, the MIP will not be applicable on imports under the advance authorisation scheme and high-grade pipes used for pipeline transportation systems in the petroleum and natural gas industry. The notification said imports/shipment contracts (under Letter of Credit) entered into before February five are also exempted from the MIP conditions.

**( The Hindu, 07 February 2016)**

## **Vedanta's Odisha push**

Vedanta today said it would set up an aluminium park in Odisha's Jharsuguda, a 240 acre complex for a wide array of entities that use the metal to make conductors, extrusions, castings, foils, powder, paste and other things. Vedanta expects the park to attract a large number of aluminium and aluminium-based industries. "The park has the potential to attract over ₹1,000 crore of investment which can be operationalised within a relatively short time frame. In full capacity, the park can generate direct and indirect employment to approximately 17,000 people. With this kind of infrastructure, Odisha can become the aluminium hub of the world," Abhijit Pati, CEO (aluminium) of Vedanta, said.

**(The Telegraph, 16 February 2016)**

## **Ore duty cut in the works**

The North Block has agreed with the mines ministry on the need to reduce the export duty on iron ore but may try to keep the rates at a level higher than demanded. According to finance ministry officials, the mines ministry wants the duty on iron ore lumps to be pruned to 10 per cent from 30 per cent and the complete removal of the duty on low-grade ore and fines against the current 10 per cent.

"We are inclined to consider the request in the budget, keeping in view the distress in the mining sector and its impact on employment," said North Block officials. "But we also have representations from the steel industry asking us not to reduce duty rates as Indian steel makers will need the ore in the future and it is a finite resource available only in a few countries," they added.

The government may look at reducing the duty on low-grade ore to 5 per cent and on high-grade ore to 20 per cent, officials said. The finance ministry has already reduced the export duty on iron ore pellets to zero from 5 per cent.

**(The Telegraph, 20 February 2016)**

### **SAIL to invest ₹ 10,200 cr on developing mines**

SAIL will invest over ₹10,200 crore on mine development as the domestic steel giant embarks on a modernisation and expansion programme, the Parliament was informed on Wednesday.

The Maharatna PSU's modernisation and expansion drive is to enhance its steel production capacity from 12.8 million tonnes per annum (MTPA) to 21.4 MTPA at an indicative investment of ₹ 61,870 crore, Minister of State for Steel Vishnu Deo Sai said in a written reply to Rajya Sabha. The programme is being undertaken at the SAIL's facilities in Bhilai, Bokaro, Rourkela, Durgapur and Burnpur as well as the special steel plant at Salem. "Besides, a provision of ₹10,264 crore has also been made towards investment in mines," Mr. Sai said. On raising of funds for the modernisation and expansion programme of steel PSUs, he said the same were arranged through internal resources and borrowings by the companies.

**“(The Hindu, 15 February 2016)**

### **Ferro alloys industries in doldrums**

All the 10 ferro alloys industries in Telangana, that include three from the district, have been shut down during the past one year, leaving about 5,000 workers unemployed while depriving livelihood to few thousands who depend on the industry indirectly.

The crisis also hit the ancillary units dependent on the industry even as the banks that lent huge amounts to the sector are finding it difficult to get their money back. Thanks to the steep hike in power tariffs in the recent years, the power-intensive ferro alloy industry had been plunged into crisis. The power tariff burden on the industry was so high that they had to cough up ₹5.35 a unit at present as against ₹2.30 a unit in 2012.

**(The Hindu, 25 February 2016)**

### **Essar Steel Bags Iron Ore Mine in Odisha**

Essar Steel has won the first iron ore mine auctioned by the government, bagging the Ghoraburhani-Sagasahi iron ore mine in Odisha at a premium of 44% of the average price in aggressive bidding involving seven steel firms.

The auction is expected to yield ₹11,328 crore to Odisha state exchequer. The average sale price set by Indian Bureau of Mines is ₹1,860.12 per million tonne. Seven steel companies, including Tata Steel, Jindal Steel & Power Ltd, Bhushan Power and Steel, JSW Steel and Rashtriya Ispat Nigam, participated in the auction concluded on Wednesday.

Ghoraburhani-Sagasahi mine, spread over 139.2 hectares, is estimated to have 99.59 million tonnes of reserves. So far six mines-including four limestone mines, one iron ore mine and one gold mine have been auctioned by state governments of Odisha, Chhattisgarh and Jharkhand. The states are expected to realise total revenue of ₹18,107 crore over 50 years of life of these mines, six times more than the royalty that they would have earned if the mines were given without auction.

**(The Economic Times, 4 March 2016)**

### **Centre to amend Mines and Minerals Act to allow transfer of captive mining leases**

The Cabinet has given its nod for amending the Mines and Minerals (Development and Regulation) Act, to allow transfer of captive mining leases issued prior to January 12, 2015, in case of mergers and acquisitions. The amendment now needs ratification from Parliament.

The lack of provision for transfer for mining leases issued prior to January 12, 2015, in the MMDR Act has held up several big ticket mergers and acquisitions like Lafarge's plan of selling two of its cement units to Birla Cement.

Jaypee Group had to call off a deal to sell two of its cement units in Madhya Pradesh to UltraTech Cement in February. The two companies are now working on a re-worked deal, in which UltraTech will acquire 22.4 million tonnes of Jaypee's cement manufacturing capacity. After the enactment of the amended MMDR Act on January 12, 2015, all mining leases in the country could only be issued after a competitive bidding process. Under the amended Act, even in case of mergers and acquisitions, transfer of mineral leases was only allowed for those that had been auctioned. Mines Secretary Balvinder Kumar said on Thursday, "The fresh amendment will allow the pending mergers and acquisitions to go through Mineral Concession Rules flowing from the amendment will be issued once the changes to the law are ratified by the Parliament."

**(The Business line, 11 March 2016)**

## **Nalco draws up ₹ 37,000-cr plan for expansion, diversification**

State-owned aluminium major National Aluminium Co Ltd is planning to invest over ₹ 37,000 crore over the next 5-7 years for expansion of existing facilities, setting up of new smelter unit overseas, development of mines and diversification in power.

According to Tapan Kumar Chand, Chairman-cum-Managing Director, Nalco, the company is undertaking the investment plan to reduce operational expenses and to beat the depressed market realisations. “Over ₹.37,000 crore will be spent over the coming 5-7 years. Focus will be on reducing costs of producing aluminium by achieving higher economies of scale,” the CMD told *Business Line*. Brownfield expansion and tie-ups with low power producers overseas is its two-prong strategy to wriggle out of “subdued market conditions.” The company expects 6-7 per cent overall cost benefit through this exercise. Because of lower costs, currently around 56 per cent of the country’s aluminium requirement is met through imports.

**(The Businessline, 20 March 2016)**

## **B. Abroad**

### **Copper's outlook may be rosier than expected**

German copper producer Aurubis has just rung the bell on the start of the "mating season", the annual negotiation of term contracts for shipments in the following year.

It has announced it will be reducing its copper cathode premium from \$110 per tonne over LME cash metal this year to \$92 next year. Aurubis' pre-emptive move will raise expectations of a similar-sized reduction in the annual premium from Chile's Codelco, the world's largest producer. Its European premium has been higher than that of Aurubis in both 2014 and 2015 at \$112 per tonne.

The case for cutting copper premiums seems obvious. Everyone's worried about the state of demand, particularly in China, which accounts for around 45 per cent of global copper usage. The price itself looks wobbly. Currently trading around \$5,250 per tonne, basis LME three-month metal, it is already down by around 16 per cent so far this year with plenty of bears calling for lower prices still.

**(Business Line, 09 October 2015)**

## **Canada's Arctic diamond sector loses luster**

A decline in diamond prices because of lower growth in Chinese jewelry demand is dulling the appeal of Canada's Arctic diamond industry, with the resulting drop in exploration hurting the region's long-term prospects. Exploration spending in Canada's diamond-rich Northwest Territories (NWT), the world's third-biggest producer, is forecast to drop 54 per cent this year, according to a Canadian government estimate earlier this year.

That is bad news for an industry where even profitable deposits can take 10 to 20 years to develop into a mine. "It's worrisome," said Tom Hoefer, executive director of NWT and Nunavut Chamber of Mines, which is based in Yellowknife, the territories' economic hub and capital. "Exploration is the lifeblood of mining."

**(Business Line, 28 October 2015)**

## **NMDC'S Aussie arm seeks greater control over iron ore project**

Legac Iron Ore Ltd, NMDC's Australian minerals exploration subsidiary, is considering taking greater control over its flagship iron ore project Mt Bevan in Western Australia. At present, the deposit is being explored for a direct shipping ore project. In a response to *BusinessLine*, Legacy Iron Ore said that its board of directors was considering a proposal to buy out project partner Hawthorn Resources Ltd, another Australian exploration company, which has a 40 per cent stake.

**(Business Line, 22 October 2015)**

## **Tin's problem is too little, not too much, supply**

Industrial metals are caught in a bear vortex of slowing demand growth, first and foremost in China, and oversupply, as producers pay the price for the exuberance of the boom years. If prices are to recover from their current bombed-out levels, everyone agrees more production will have to be taken off line, whether through voluntary restraint or forcible cash-burn attrition.

Glencore's well-flagged cuts to its copper, zinc and lead production portfolio have at least halted the price declines in those markets, although they have not reversed long-running downtrends. Significant cuts in either aluminium or nickel supply remain conspicuous by their absence, which is one reason both metals are particularly out of favour even in the context of the general doom and gloom pervading the complex.

**(Business Line, 30 October 2015)**

## **Diamond's Losing Lustre Forces Traders to Team up with Miners**

Falling sales and squeezing margins have prompted Indian diamond trade to consider teaming up with miners like Rio Tinto, ALROSA and De Beers are launching a marketing campaign in strategic markets like China, Latin America and the Middle East.

The plan is to rope in international advertising agencies and celebrities to promote diamond that of late has lost its sparkle worldwide. The Indian diamond trade has decided to also seek government help to reduce high import duty in traditional markets like Russia and Indonesia.

**(The Economics Times, 13 November 2015)**

## **CME plans japan aluminium contract to rival LME'S**

Chicago-based CME Group said that it would launch a Japanese aluminium premium contract next month, the latest move by the world's largest futures market operator to challenge the London Metal Exchange's dominance in base metals trading. CME said it would list the new 25-tonne contract on its Globex electronic trading platform, with trading starting on December 7. The contracts will be cash-settled against Platts' daily assessment of the premium.

Japan is Asia's biggest importer of aluminium and supply contracts are set between the world's biggest producers like Alcoa and Rio Tinto, and consumers such as UACJ, and major Japanese trade houses each quarter. These talks set the quarterly benchmark for the region.

**(Business Line, 19 November 2015)**

## **US aluminium premiums surge as Alcoa production cutbacks signal turnaround**

US aluminium premiums have jumped to their highest in three months after Alcoa announced plans to idle the bulk of its US smelting capacity, stirring speculation among traders that the market may have turned a corner. Spot CME Midwest premiums rose to 8 cents/lb on Monday for the biggest one-day jump in months as traders scrambled to secure metal in anticipation of lower domestic output even as global inventories are plentiful. Worries about waning demand from China, the world's top producer, also linger.

**(Business Line, 05 November 2015)**



### **Gold edges off near six- year low on halt in \$ bull run**

Gold prices edged higher on Thursday, recovering from near six year lows as the dollar took a breather after a run of gains, though the precious metal remained under pressure from expectations a US rate hike is imminent.

Spot gold was at \$ 1,072.10 an ounce , while US gold futures for December delivery were at \$ 1,071.50. Silver was at \$ 14.12, while platinum was up 0.4 per cent at \$ 850.85 and palladium was at \$ 536 an ounce.

**(Business Line, 20 November 2015)**

### **Glencore commits silver production to prune debt; copper output slumps**

Debt- laden mining and commodities giant Glencore is selling a share of its future silver output to help reduce its towering debt, as its copper production has taken a hit. Glencore, one of the world's largest miners and producers of copper, said in a statement on Wednesday that its copper production had slumped two per cent over the past nine months to 1,127,500 tonnes.

The Switzerland- based company explained the dip with dwindling production at its Alumbreira mine in Argentina, which is reaching the end of its mining life, as well as its suspension of activities at the Katanga mine in the Democratic Republic of Congo. Glencore, which has been hard- hit by a commodity price collapse, announced at the beginning of September a series of drastic moves aimed at cutting its towering \$ 30- billion debt by a third and to pull down its production.

**(Business Line, 05 November 2015)**

### **As iron ore boom ends, Australia's pilbara targets tourists, farmers.**

Aqua farms growing super foods could soon materialise in the rust-red dust of the Australian outback, alongside wheat fields, haystacks and cattle herds, as tumbling iron prices drive the minerals-rich Pilbara region to transform itself.

On a small patch of desert 250 km (155 miles) south of the Pilbara's Port Hedland, InterClinical Laboratories has started Plankton Farms to propagate a type of micro-algae called *Dunaliella salina*, renowned for its antioxidant properties.

**(Business Line, 09 December 2015)**

## **Queensland court gives conditional nod for Adani's Carmichael mine**

The Land Court of Queensland in Australia on Wednesday recommended that the Adani Group's planned Carmichael mine should proceed, subject to additional conditions.

The conditions recommended prior to the granting of a mining lease add to some of the strictest conditions ever handed down for a project of its kind in Queensland, and the strictest-ever handed down for a project under federal law.

This significant decision recognises the thorough, science and evidence-based work that the Adani Group and its partners have undertaken over more than five years to demonstrate the company's commitment to complying with both Queensland and Australia's world's best practice environmental protections, according to a company statement here.

**(Business Line, 17 December 2015)**

## **Rivers, sea run red in Malaysia as bauxite booms with exports**

Rivers and the sea ran red in parts of Malaysia this week after two days of heavy rain brought an increase in run-off from the booming and largely unregulated bauxite mining industry.

Demand from China for the aluminum ingredient has fed a rapid rise in bauxite mining in the third-largest state of Pahang, in the east of peninsular Malaysia, and concern is growing about the impact on the environment. Media on Wednesday showed images of red seas and rivers near the state capital of Kuantan, the center of the industry and the location of a port from which much of the bauxite is shipped.

**(Business Line, 31 January 2016)**

## **Tata Steel scales down iron ore mining at Canada facility**

Tata Steel has suspended operations at its Canadian iron ore mining and processing project. Though the steel major has not disclosed the reason for suspension, its junior partner in Canada, New Millennium Iron Corp. (NML) announced that the project execution firm Tata Steel Minerals Canada (TSMC) "temporarily scaled down winter operations, including stabilization activities of the all season ore processing plant at its direct shipping ore (DSO) project.

**(Business Line, 22 January 2016)**

## **World bank predicts iron ore will be worst metal performer**

Iron ore prices are likely to post the biggest loss among metals this year as low-cost supply continues to outstrip consumption, according to the World Bank, which cut its forecasts through 2020. Demand is nearing its peak and prices will average \$42 a metric ton in 2016, a drop of 25 per cent from \$55.80 last year, the Washington-based lender said in its quarterly outlook. In comparison, nickel may fall 16 per cent and copper 9 per cent, it said. In October, the bank had forecast 2016 iron ore at \$59.50.

Iron ore has collapsed to less than a quarter of its 2011 peak as the slowdown in China restricts demand from the biggest user, spurring a glut. The global market is set to see a further jump in supply, with the largest miners including Brazil's Vale SA and Rio Tinto Group and BHP Billiton Ltd in Australia increasing output to build market share. "Seaborne iron ore demand may be nearing a peak due to China's transition to a less-metal intensive economy," the bank said in the report on Tuesday. "New low-cost iron ore capacity continues to come online in Australia and Brazil, and is forcing closures of higher-cost mines in China and elsewhere."

**(Business Line, 28 January 2016)**

### **Australia, Brazil ship more iron ore to china but competition persists**

Iron ore heavyweights Australia and Brazil are gaining market share in top buyer China, but aren't quite destroying their smaller rivals as quickly as they need to. Australia shipped 607.4 mt of iron ore to China in 2015, a gain of 10.8 per cent on the prior year, according to Chinese customs data published on Tuesday. Brazil's exports totalled 191.6 mt, up 12.1 per cent over 2014, the data showed.

In terms of market share, Australia's jumped from 58.8 per cent of China's imports in 2014 to 63.7 per cent last year, while Brazil's went from 18.3 per cent to 20.1 per cent. So far so good for the big producers: Brazil's Vale, the Anglo-Australian majors Rio Tinto and BHP Billiton, and No. 4 Fortescue Metals Group.

**(Business Line, 29 January 2016)**

### **Australian mining company finds 404-carat diamond**

A West Australian mining firm has found a record breaking 404-carat diamond believed worth over \$14 million. According to reports on Tuesday, the Lucapa Diamond Company, based in Perth but operating in the African nation of Angola, found the 404-carat diamond at its Lulo Diamond Project site, with estimates putting it as the 27th largest diamond ever found, Xinhua news agency reported. The company's chairman, Miles Kennedy, said that the diamond ticked off a "number of firsts" for diamond exploration. "When we first looked at the property, 3,000 sq.km of untouched ground, 700 km inland from the coast, you are talking about a very, very remote area," Kennedy said.

**(The Hitwada 17 February 2016)**

## **Tin defies commodity slump on back of Indonesian export cuts**

Tin is defying the downdraft sweeping commodity markets, with prices for the metal used to solder electronics surging this year thanks to reduced production in major exporter Indonesia.

It has been the best performer on the London Metal Exchange (LME) this year, rising about 10 per cent to around \$16,000 a tonne, against a largely flat index of six industrial metals and a drop in the Thomson Reuters/Core Commodity CRB Index of 10 per cent.

"The fact that (Indonesia) has reduced their yearly exports, stocks are below 4,000 tonnes has attracted funds again," said a tin trader at a global trading house in Europe. Many industry experts say the rally could run out of steam in the coming weeks or months, however, partly due to surging tin output from Myanmar - though they expect prices to resume their uptrend towards the end of the year.

**(Business Line, 26 February 2016)**

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