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**MINERALS (OTHER THAN ATOMIC AND  
HYDRO CARBONS ENERGY MINERALS)  
CONCESSION RULES, 2016**  
(As amended up to 12 January, 2026)

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**Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession  
Rules, 2016<sup>1</sup>**

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

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

**CHAPTER I: PRELIMINARY**

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

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

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

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

(b) <sup>2</sup>[ ]

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

Explanation – For the purpose of this clause, -

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

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

(d) <sup>3</sup>[ ]

(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;

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<sup>1</sup> Ministry of Mines, Noti. No. G.S.R. 279(E), dated 04.03.2016.

<sup>2</sup> Omitted by G.S.R. 775(E), dated 02.11.2021.

<sup>3</sup> Omitted by G.S.R. 775(E), dated 02.11.2021.

- (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, <sup>4</sup>[composite licence] 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.

<sup>5</sup>[Provided that if for any mineral or mineral grade, the average sale price in respect of the relevant State for any month is not published by the Indian Bureau of Mines, the average sale price for the latest month published for such mineral or mineral grade shall be deemed to be the average sale price for the said month for which average sale price is not published:

Provided further that if for any mineral or mineral grade, the average sale price in respect of the relevant State is not published for the entire period of the preceding twelve months, then the all India average sale price published for such mineral or mineral grade for the said twelve months shall be used:

Provided also that in case of auction of mineral block for composite licence for minerals and corresponding deposits as specified in Schedule II of the Minerals (Evidence of Mineral Contents) Rules, 2015, the ‘estimated quantity of mineral resources’ shall be arrived in the following manner, namely:—

- (A) the estimated quantity of mineral resources as assessed under G4 level of exploration for the mineralised area in the block shall be considered the ‘estimated quantity of mineral resources’ of the block;
- (B) in case the ‘estimated quantity of mineral resources’ is not possible to be assessed under clause (A), then the same shall be arrived at by multiplying,—
  - (i) the average of the estimated quantity of mineral resource per hectare for the same mineral available in the mineralised area of nearby mining leases or mineral blocks having similar geological features and explored upto G3 level in accordance with the said rules; and
  - (ii) the mineralised area of the mineral block which is to be auctioned for composite licence.

**Explanation.**—For the purposes of this clause ‘nearby mining leases or mineral blocks’ shall mean mining leases or mineral blocks located in the same district or in any adjacent district.]

- (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; <sup>6</sup>[(ii) minerals listed in Part A of the First Schedule to the Act; and (iii) minerals listed in Part B of the First Schedule to the Act having grade equal to or more than the threshold value as specified under the Atomic Minerals Concession Rules, 2016]

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<sup>4</sup> Substituted by G.S.R. 775(E), dated 02.11.2021

<sup>5</sup> Inserted by G.S.R. 775(E), dated 02.11.2021

<sup>6</sup> Substituted by G.S.R. 50(E), dated 21.01.2024

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. <sup>7</sup>[ ]
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. <sup>8</sup>[ ]

8. <sup>9</sup>[ ]

## **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)

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<sup>7</sup> Omitted by G.S.R. 775(E), dated 02.11.2021

<sup>8</sup> Omitted by G.S.R. 775(E), dated 02.11.2021

<sup>9</sup> Omitted by G.S.R. 775(E), dated 02.11.2021

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**.

<sup>10</sup>[9A. **Conditions for issuance of vesting order and for obtaining rights, approvals, clearances, licenses and like under section 8B of the Act.**- (1) The State Government shall nominate a Secretary level officer of that State as the nodal officer,<sup>11</sup>[for the purpose of issuing vesting order for transfer and vesting of all valid rights, approvals, clearances, licences and the like in accordance with sub section (1) of section 8B.]

(2) The nodal officer nominated under sub-rule (1) shall be authorised to collect all the valid rights, approvals, clearances, licences and the like vesting with the previous lessee and shall issue vesting order in favour of the new lessee alongwith the Letter of Intent.

(3) The vesting order issued under sub-rule (2) shall have the same terms and conditions of every rights, approvals, clearances, licenses and the like, which vested with the previous lessee:

Provided that any statutory payments or documents to be submitted for obtaining such rights, approvals, clearances, licenses and the like for the period for which vesting right is issued, shall be made or done when the new lessee applies for issuance of the fresh rights, approvals, clearances, licences and the like under this rule:

Provided further that mandatory payments towards certain statutory clearances shall be paid by the new lessee as specified by concerned authorities or the nodal officer.

<sup>12</sup>[(4) In case the new lessee proposes any change in the conditions attached to the approvals, clearances, licences, permits, and the like, transferred under the vesting order, the lessee will obtain the approval of the same, under the laws for the time being in force.]

(5) It shall be lawful for the new lessee to commence and continue mining operations on the land in which mining operations were being carried out by the previous lessee, after the execution of the lease deed <sup>13</sup>[till expiry or termination of mining lease granted]:

Provided that in respect of any land not owned by the State Government, the new lessee shall have the right to operate the mine, notwithstanding any claim or dispute by the owner of such land or the previous lessee, as the case may be and such claim or dispute shall be decided by the State Government, as per the extant laws.

(6) <sup>14</sup>[ ]

(7) <sup>15</sup>[ ]

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<sup>10</sup> Inserted by G.S.R. 191(E), dated 20.03.2020.

<sup>11</sup> Substituted by G.S.R. 775(E), dated 02.11.2021.

<sup>12</sup> Substituted by G.S.R. 775(E), dated 02.11.2021.

<sup>13</sup> Substituted by G.S.R. 775(E), dated 02.11.2021.

<sup>14</sup> Omitted by G.S.R. 775(E), dated 02.11.2021.

<sup>15</sup> Omitted by G.S.R. 775(E), dated 02.11.2021.

(8) <sup>16</sup>[ ]

(9) No authority shall reject grant of any rights, approvals, clearances, licenses and the like to the new lessee on account of past violations or outstanding dues of the previous lessee, which may be agitated before appropriate forums separately without prejudice to any rightful legal claims of the parties.]

<sup>17</sup>[**9B. Exploration licence granted through auction.**— (1) The exploration licence deed of the exploration licence granted to a successful bidder under sub-rule (4) of rule 19G of the Mineral (Auction) Rules, 2015 shall be in the format specified in Schedule V-A.

(2) The exploration licensee may, at any time, surrender a part or the entire area to the State Government, subject to following conditions, namely:—

- (i) the surrender shall be made only after submission of the report of the operations undertaken upto the date of surrender in the area being surrendered in accordance with the scheme of reconnaissance or prospecting or both, as the case may be;
- (ii) the surrender shall be made only after completing reclamation of the area being surrendered;
- (iii) the exploration licensee shall state the reasons for retention of the area proposed to be retained by him and the boundaries of the area being retained and surrendered;
- (iv) the area retained may be contiguous or non-contiguous area;
- (v) the exploration licensee shall undertake reconnaissance or prospecting operations or both in the area retained in accordance with the scheme of reconnaissance or prospecting or both;
- (vi) in case no such operations is proposed in any area under the scheme of reconnaissance or prospecting, the exploration licensee shall mandatorily surrender such area;
- (vii) the State Government after being satisfied that the surrender of an area is conforming to the conditions specified in this rule, may accept such surrender;
- (viii) a supplementary exploration licence deed shall be executed between the licensee and the State Government in the format specified in Schedule V-B for the part of the area retained at each instance of the surrender of area.

Provided that after three years from the date of execution of the exploration licence, the exploration licensee may retain an area not exceeding twenty-five per cent. of the total area covered under the original licence granted to him for the purpose of continuing reconnaissance or prospecting operations and shall surrender the remaining area in compliance of the above conditions and sub-section (11) of section 10BA.]

10. **Renewal of a prospecting licence of the composite licence** - (1) An application for renewal of a prospecting licence of the composite licence for the purpose of completing prospecting operations shall be made at least ninety days before the expiry of the prospecting licence stage of the composite licence and shall be accompanied by a statement containing-
- (a) reasons for seeking renewal;
  - (b) a report of the details of prospecting operations undertaken by the applicant in the format as prescribed under the rules under Section 18;
  - (c) the details of expenditure incurred;

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<sup>16</sup> Omitted by G.S.R. 775(E), dated 02.11.2021.

<sup>17</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

- (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.

<sup>18</sup>[**10A. Extension of period of exploration licence.**— (1) An application for extension of an exploration licence under sub-section (10) of section 10BA for the purpose of completing reconnaissance or prospecting operations or both shall be made after three years from the date of its execution but at least ninety days before the expiry of the licence and shall be accompanied by a statement containing the following, namely:—

- (a) reasons for seeking such extension beyond five years from the date of execution of the exploration licence deed;
  - (b) a report of the details of reconnaissance or prospecting operations or both undertaken by the applicant in the format as specified under rule 9 of the Mineral Conservation and Development Rules, 2017;
  - (c) the details of the area retained by the exploration licensee including the boundaries of that area;
  - (d) the details of expenditure incurred;
  - (e) the numbers of man days for which the work was undertaken; and
  - (f) 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 to the applicant in Schedule II within a period of three days of receipt of the application.
  - (3) The State Government may condone delay in submission of an application made after the time limit specified under sub-rule (1), provided that the application has been made before the expiry of the period of the exploration licence.
  - (4) An application for the extension of the period of an exploration licence shall be disposed of by the State Government before the expiry of the period of the exploration licence.]

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<sup>18</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

## CHAPTER IV: TERMS AND CONDITIONS OF MINERAL CONCESSIONS

11. **Terms and conditions of a prospecting licence** <sup>19</sup>[, **composite licence and exploration licence**].- (1) Every <sup>20</sup>[prospecting licence, composite licence or exploration licence] 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 <sup>21</sup>[\*\*\*], 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 <sup>22</sup>[\*\*\*] 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;

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<sup>19</sup> Substituted by G.S.R. 50(E), dated 21.01.2024

<sup>20</sup> Substituted by G.S.R. 50(E), dated 21.01.2024

<sup>21</sup> Omitted by G.S.R. 50(E), dated 21.01.2024

<sup>22</sup> Omitted by G.S.R. 50(E), dated 21.01.2024

- (e) the licensee shall restore, to the extent possible, the landform affected by prospecting <sup>23</sup>[or reconnaissance] 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 <sup>24</sup>[or reconnaissance] 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 <sup>25</sup>[or reconnaissance] 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 <sup>26</sup>[or reconnaissance] 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 <sup>27</sup>[or reconnaissance] 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 <sup>28</sup>[or reconnaissance] 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 <sup>29</sup>[\*\*\*] 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

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<sup>23</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>24</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>25</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>26</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>27</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>28</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>29</sup> Omitted by G.S.R. 50(E), dated 21.01.2024

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 <sup>30</sup>[\*\*\*] 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

- (1) the licensee shall, on the expiry or termination of the licence or the abandonment of the <sup>31</sup>[prospecting or reconnaissance 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 <sup>32</sup>[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 <sup>33</sup>[or an exploration 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:

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<sup>30</sup> Omitted by G.S.R. 50(E), dated 21.01.2024

<sup>31</sup> Substituted by G.S.R. 50(E), dated 21.01.2024

<sup>32</sup> Substituted by G.S.R. 50(E), dated 21.01.2024

<sup>33</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

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 <sup>34</sup>[or an exploration 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 <sup>35</sup>[or exploration 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 <sup>36</sup>[or exploration 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 <sup>37</sup>[or exploration 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 <sup>38</sup>[or an exploration licence, as the case may be].

<sup>39</sup>[(7) Surrender of area shall be made in accordance with the provisions of rule 9B.

- (8) The exploration licensee shall, within a period of three months of the completion of the operations for which licence has been granted, or from the date of expiry of the exploration licence, whichever is earlier, submit a geological report to the State Government and the Indian Bureau of Mines explaining the result of the reconnaissance and prospecting operations in the form of a geological report prepared in accordance with rule 5 of the Mineral (Evidence of Mineral Contents) Rules, 2015; identifying the area suitable for grant of a mining lease.
- (9) The exploration licensee shall not in any manner disclose the information, scheme and reports prepared under these rules or any other geological information related to reconnaissance or prospecting operations to any person other than the Government or authority specified in these rules or any other rules made under the Act, without prior approval of the Central Government.
- (10) If the exploration licensee fails to complete the reconnaissance or prospecting operations or both in accordance with the scheme of reconnaissance or prospecting or both, as the case may be, before expiry of the exploration licence for the areas retained by him, or fails to submit the geological report within the period specified in sub-rule (8), then,—

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<sup>34</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>35</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>36</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>37</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>38</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>39</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

- (i) he shall not be eligible to receive any share out of the auction premium of the mining lease granted in the area covered by his exploration licence;
- (ii) he shall be debarred from taking part in any auction for grant of exploration licences in any State for a period upto three years; and
- (iii) the State Government may forfeit the performance security.]

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 <sup>40</sup>[having a grade equal to or above the threshold value of such mineral, as notified by the Indian Bureau of Mines under the Mineral Conservation and Development Rules, 2017,] 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;

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<sup>40</sup> Inserted by G.S.R. 775(E), dated 02.11.2021

<sup>41</sup>[Provided further that in case of overburden or the waste rock or the mineral below the threshold value, which is generated during the course of mining or beneficiation of the mineral; or any minor mineral extracted alongwith the mineral for which lease is granted, the State Government in consultation with the Indian Bureau of Mines may, by order permit the lessee to dispose of such material in such quantity and in such manner as may be specified therein, on such payment as may be decided by the State Government;]

<sup>42</sup>[Provided also that permission under the second proviso shall be granted only in case where such overburden or the waste rock or mineral below threshold value cannot be used for any of the purposes by reason of which use it can be called a mineral other than minor mineral:

Provided also that permission under this sub-rule may be revoked at any time after giving an opportunity of hearing to the lessee;]

- (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:

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<sup>41</sup> Inserted by G.S.R. 775(E), dated 02.11.2021

<sup>42</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

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

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

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

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

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

- i. each corner of the lease area shall have a boundary pillar (corner pillar);
- ii. there shall be erected intermediate boundary pillars between the corner pillars in such a way that each pillar is visible from the adjacent pillar located on either side of it;
- iii. the distance between two adjacent pillars shall not be more than fifty meters;
- iv. the pillars shall be of square pyramid frustum shaped above the surface and cuboid shaped below the surface;
- v. each pillar shall be of reinforced cement concrete;
- vi. the corner pillars shall have a base of 0.30m X 0.30m and height of 1.30m of which 0.70m shall be above ground level and 0.60m below the ground;
- vii. the intermediate pillars shall have a base of 0.25m X 0.25m and height of 1.0m of which 0.70m shall be above ground level and 0.30m below the ground;
- viii. all the pillars shall be painted in yellow colour and the top ten centimeters in red colour by enamel paint and shall be grouted with cement concrete;
- ix. on all corner pillars, distance and bearing to the forward and backward pillars and latitude and longitude shall be marked;
- x. each pillar shall have serial number in a clockwise direction and the number shall be engraved on the pillars;
- xi. the number of pillar shall be the number of the individual pillar upon the total number of pillars in the lease;

- xii. the tip of all the corner boundary pillars shall be a square of 15 centimeter on which a permanent circle of 10 centimeter diameter shall be drawn by paint or engraved and the actual boundary point shall be intersection of two diameters drawn at 90 degrees;
  - xiii. the lease boundary survey shall be accurate within such limits of error as the Controller General, Indian Bureau of Mines may specify in this behalf;
  - xiv. the location and number of the pillars shall also be shown in the surface and other plans maintained by the lessee; and
  - xv. in case of forest area within the lease, the size and construction and colour of the boundary pillars shall be as per the norms specified by the Forest Department in this behalf."
- (w) the lessee shall make and pay such compensation as may be assessed by lawful authority in accordance with the law in force on the subject for all damage, injury or disturbance which may be caused by the lessee in exercise of the powers granted to him and shall indemnify and keep indemnified, fully and completely, the State Government against all claims which may be made by any person or persons in respect of any such damage, injury or disturbance and all costs and expenses in connection therewith;
  - (x) the lessee shall strengthen and support to the satisfaction of the railway administration concerned or the State Government, as the case may be, any part of the mine which, in his opinion, requires such strengthening or support for the safety of any railway, reservoir, canal, road and any other public works or structures;
  - (y) the lessee shall send to the Deputy Commissioner or Collector, without delay, a report of any accident causing death or serious bodily injury or serious injury to property or seriously affecting or endangering life or property which may occur in the course of its mining operations;
  - (z) the lessee shall maintain a copy of the mining plan at the mine office situated in the leased area;
  - (aa) the lessee shall not employ, in connection with the mining operations, any person who is not an Indian national except with the previous approval of the Central Government;
  - (bb) the lessee shall allow any officer authorised by the Central Government or the State Government to inspect the leased area at all reasonable times and shall also supply, on demand of the State Government, the Director General, Geological Survey of India or the Controller General, Indian Bureau of Mines, all applicable plans and sections of the leased area as also the quantity of reserves quality-wise;
  - (cc) the lessee shall, unless specifically exempted by the State Government, provide and at all times keep at or near the pit head or each of the pit heads at which the minerals shall be brought to bank, a properly constructed and efficient weighing system / mechanism and shall weigh or cause to be weighed thereon all the said minerals, from time to time, brought to bank, sold, exported and converted and also the converted products. The lessee shall at the close of each day cause the total weights, ascertained by such means of the said minerals, ores products raised, sold, exported and converted during the previous twenty four hours, to be entered in the books of accounts maintained by the

lessee. The lessee shall at all times during the term of the lease, permit the State Government to employ any person or persons to be present at the weighing of the said minerals as aforesaid and to keep accounts thereof and to check the accounts kept by the lessee. The lessee shall give seven days previous notice in writing to the Deputy Commissioner/Collector of every such measuring or weighing in order that he or some officer on his behalf may be present thereat;

(dd) the lessee shall at any time or times during the term of the lease, allow any person or persons appointed in that behalf by the State Government to examine and test every weighing machine to be provided and kept as aforesaid and the weights used therewith in order to ascertain whether the same respectively are correct and in good repair and order. If upon any such examination or testing, any such weighing machine or weights shall be found incorrect or out of repair or order, the State Government may require that the same be adjusted, repaired and put in order by and at the expense of the lessee. If such requisition is not complied with within fourteen days after the same has been made, the State Government may cause such weighing machine or weights to be adjusted, repaired and put in order at the expense of the lessee. If upon any such examination or testing as aforesaid, any error is discovered in any weighing machine or weights to the prejudice of the State Government, such error shall be regarded as having existed for three calendar months prior to the discovery thereof or from the last occasion of so examining and testing the same weighing machine and weights, in case such occasion is within the said period of three months, and the lessee shall pay the rent and royalty accounted for accordingly;

(ee) if the lessee fails to carry out or perform any of its obligations hereunder or under the lease deed within the time specified in that behalf, the State Government may cause the same to be carried out or performed and the lessee shall pay the State Government, on demand, all expenses incurred in this regard by the State Government and the decision of the State Government as to such expenses shall be final;

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

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

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

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

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

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

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

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

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

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

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

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

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

<sup>43</sup>[(5) The minimum area for grant of mining lease shall not be less than,—

- (a) Two hectares, in respect of beach sands or placers, which are mono or multi mineral concentrations, including the dunes occurring on and off the coastal shore line deposited as a product of the ebb and flow of tides, waves and inshore currents, and at places semi-consolidated to consolidated in nature;
- (b) Two hectares, in respect of limestone, bauxite, manganese, kyanite, sillimanite, marl, selenite, siliceous earth, graphite, vermiculite, wollastonite having small deposits, but not fragmented portions of larger ones, shallow in nature with depth of mineralisation upto twenty metres, isolated and not exceeding two hundred metres in strike length, which are small by virtue of either origin or mode of emplacement or dislocation due to geological disturbances; and small deposits shall also include float deposits (transported) formed due to mechanical weathering and deposition, alluvial or eluvial placers (buried or otherwise), which generally have peculiar configurations excepting beach sands or placers;
- (c) Four hectares, in respect of all mineral deposits other than those specified under clauses (a) and (b).]

- (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 –

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<sup>43</sup> Substituted by G.S.R. 775(E), dated 02.11.2021

- (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.

<sup>44</sup>[12A **Additional conditions for commencement and continuation of production as per section 4B of the Act.**—(1) Notwithstanding anything contained in these rules, during the first two years from the date of execution of new lease, the holder of mining lease, to whom the order of vesting of rights, approvals, clearances, licences and the like have been issued under section 8B of the Act, shall maintain such level of production so as to ensure minimum dispatch of eighty percent of the average of the annual production of two immediately preceding years on pro-rata basis, failing which appropriate actions in accordance with the Mine Development and Production Agreement shall be initiated.

<sup>45</sup>[(1A) In case of shortfall in dispatch from the minimum dispatch required under sub-rule (1), which shall be assessed on a quarterly basis, the lessee shall, in addition to the amounts payable under rule 13 of the Mineral (Auction) Rules, 2015 (hereinafter referred to as the

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<sup>44</sup> Inserted by G.S.R. 191(E), dated 20.03.2020

<sup>45</sup> Inserted by G.S.R. 397(E), dated 10.06.2021

Auction Rules) for the actual dispatch, also pay to the State Government, an amount equal to the difference between the following, namely:—

- (a) the amounts payable under rule 13 of the Auction Rules for the quantity equal to the minimum dispatch required under sub-rule (1) in the said quarter on the basis of the weighted average of grade of minerals dispatched during the quarter; and
- (b) the amounts paid under rule 13 of the Auction Rules for the quantity actually dispatched in the said quarter:

Provided that a reconciliation of the amounts paid under rule 13 of the Auction Rules shall be done at the end of the year and on such reconciliation, if it is found that the lessee has dispatched more than or equal to the minimum dispatch required under sub-rule (1) for that year as a whole, then any amount paid by lessee for the shortfall in dispatch in any quarter or quarters of that year shall be adjusted with the amounts to be paid for the last quarter of that year:

Provided further that the amount payable under this sub-rule shall be in addition to any appropriation of performance security for non-compliance of any minimum production or dispatch requirement under the Mine Development and Production Agreement.

(1B) Where the lessee does not maintain minimum dispatch required under sub-rule (1) for the year as a whole, the State Government may terminate such lease after giving the lessee a reasonable opportunity of being heard.

(1C) In cases where the mining lease is executed on or before the commencement of the Mineral (Other than Atomic and Hydro Carbons Energy Minerals) Concession (Third Amendment) Rules, 2021, the provisions of sub-rule (1A) and (1B) shall apply after a period on one year from the date of such execution of mining lease or the date of commencement of the Mineral (Other than Atomic and Hydro Carbons Energy Minerals) Concession (Third Amendment) Rules, 2021, whichever is later.]

(2) The new lessee shall ensure that the annual production beyond two years from date of execution of new lease is equal to or more than the annual production by the previous lessee and shall subsequently workout and implement an annual production plan to ensure that the mineral resources are fully exploited during the period of the lease, failing which appropriate actions in accordance with the Mine Development and Production Agreement shall be initiated.]

<sup>46</sup>[Provided that the new lessee shall also ensure that at least eighty percent of such annual production is dispatched in the said year.]

<sup>47</sup>[12B. **Manner of Sale of mineral from the captive leases.**— (1) In any lease, where mineral is required to be used for captive purpose, the lessee may sell mineral in the following manner, namely:—

- (i) lessee may sell up to fifty per cent. of total mineral produced in such captive mine in a financial year while ensuring that not less than fifty per cent. of total mineral produced in such captive mine shall be used during the financial year for meeting the requirement of the end use plant linked with the mine;

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<sup>46</sup> Inserted by G.S.R. 397(E), dated 10.06.2021

<sup>47</sup> Inserted by G.S.R. 775(E), dated 02.11.2021

- (ii) the requirement of the end use plant linked with the mine for a financial year shall be the actual quantity of mineral consumed in the said plant, in that financial year;
- (iii) lessee shall pay the additional amount as specified in the Sixth Schedule of the Act for the quantity so sold;
- (iv) lessee who has been allowed to sell mineral before the commencement of Mines and Minerals (Development and Regulation) Amendment Act, 2021, shall also pay the additional amount for the quantity so sold, as specified in the Sixth Schedule of the Act, only for the quantity sold after the commencement of said Act;
- (v) lessee will keep a separate record of such sale and shall report such sale in the monthly and annual returns to be submitted under the Mineral Conservation and Development Rules, 2017;
- (vi) at the end of the financial year, the lessee shall carry out the reconciliation of the quantity of mineral produced, the quantity of mineral consumed in the linked end use plant and the quantity of mineral sold in that financial year;
- (vii) in case lessee sells less than fifty per cent. of total mineral produced in a captive mine in a financial year, it shall not carry forward the deficient quantity for sale in the subsequent year.

*Explanation.*—This rule shall be applicable in all leases where mineral is required to be used for captive consumption, notwithstanding any order or direction to the contrary, passed by any court or authority, prior to the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2021.]

#### **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.

<sup>48</sup>[Provided that if the mining or mineral processing operations in a mine is discontinued for a period exceeding two hundred and seventy days before the expiry of five years period for which the mining plan was approved on the last occasion; and the holder of the mining lease has sent the notice to the authorised officer and the State Government under rule 28 of the Mineral Conservation and Development Rules, 2017, the holder shall not be required to submit mining plan for review during the period of such temporary discontinuation, but shall submit the mining plan for review and obtain approval of the competent authority on the same before reopening of the mine.]

- (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

<sup>49</sup>[**18. Auction of expiring mining lease.-** (1) The State Government shall, as per the procedure specified in the Act and the rules made thereunder, conduct auction of an expiring mining lease well in advance of its expiry so as to prevent disruption in production of minerals.

- (2) The State Government shall endeavour to complete the auction process at least six months before the impending expiry of a mining lease so that there is a smooth transition from one lessee to the other; and the lease in such cases shall be executed after the expiry of the lease period of the existing lessee.]

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<sup>48</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>49</sup> Substituted by G.S.R.191 (E), dated 20.03.2020

**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) <sup>50</sup>[Where production and dispatch has] 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 <sup>51</sup>[production and dispatch], 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.

<sup>52</sup>[(3) Where a lessee is unable to commence the production and dispatch within a period of two years from the date of execution of the mining lease or discontinuation of production and dispatch for reasons beyond his control, he may submit an application to the State

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<sup>50</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>51</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>52</sup> Substituted by G.S.R.775(E), dated 02.11.2021

Government, explaining the reasons for the same and stating the further time required, at least three months before the expiry of such period of two years:

Provided that where the lessee has failed to make the application within the time stipulated above due to the reasons beyond his control but has made application before the lapse of lease under sub-rule (1), the State Government may condone the delay in making the application and in such case the State Government shall pass an order under sub-section (6) before the lapse of lease:

Provided further that where the lessee has failed to make the application within the time stipulated above or delay in making the application has not been condoned by the State Government, the lease shall lapse in accordance with sub-rule (1).]

- (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 <sup>53</sup>[production and dispatch] or continue <sup>54</sup>[production and dispatch];
  - (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 <sup>55</sup>[production and dispatch] 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, <sup>56</sup>[whichever is earlier, either extending the period of two year by a further period not exceeding one year or rejecting such request:]
- <sup>57</sup>[Provided that such mining lease shall lapse on failure to undertake production and dispatch or inability to continue production and dispatch within the extended period:
- Provided further that such extension shall not be granted for more than once during the entire period of lease.]
- <sup>58</sup>[(7) Any application for revival of the mining lease submitted under the third proviso to sub-section (4) of section 4A, as it stood prior to commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2021, namely, the 28th March, 2021, which is not disposed of by the State Government prior to the said date, shall lapse on the said date.]
- (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.

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<sup>53</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>54</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>55</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>56</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>57</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>58</sup> Clause (7), (8) & (9) substituted by G.S.R.775(E), dated 02.11.2021

(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.

<sup>59</sup>[(12) The State Government shall intimate the Indian Bureau of Mines in writing about such lapse of a mining lease.]

**21. Surrender of the mining lease.-** (1) The lessee may make an application for surrender of the <sup>60</sup>[the entire or a part area] of the mining lease after giving a notice in writing of not less than <sup>61</sup>[six] calendar months from the intended date of surrender. Such application shall be accompanied by an approved final mine closure plan:

<sup>62</sup>[\*\*\*]

(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.

<sup>63</sup>[(3A) The State Government may refuse to accept such surrender of the entire or a part area of the mining lease for the reasons to be communicated in writing to the lessee.]

(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 <sup>64</sup>[ composite licence] <sup>65</sup>[ \* \* \* ] <sup>66</sup>[ or exploration licence] -**

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<sup>59</sup> Inserted by G.S.R.775(E), dated 02.11.2021

<sup>60</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>61</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>62</sup> Omitted by G.S.R.775(E), dated 02.11.2021

<sup>63</sup> Inserted by G.S.R.775(E), dated 02.11.2021

<sup>64</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>65</sup> Omitted by G.S.R.775(E), dated 02.11.2021

<sup>66</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

24. (1) Where a <sup>67</sup>[composite licence] <sup>68</sup>[or exploration licence] or a mining lease has been granted <sup>69</sup>[under the Act], 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 <sup>70</sup>[composite licence] <sup>71</sup>[\*\*\*] <sup>72</sup>[or exploration licence] may transfer his mining lease or <sup>73</sup>[composite licence] <sup>74</sup>[or exploration licence], as the case may be, to any person eligible to hold a mining lease or <sup>75</sup>[composite licence] <sup>76</sup>[or exploration licence] 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 <sup>77</sup>[or reconnaissance] 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 <sup>78</sup>[composite licence] <sup>79</sup>[ or exploration licence] shall be made in contravention of any condition subject to which the mining lease or the <sup>80</sup>[composite licence] <sup>81</sup>[ or exploration licence] 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 <sup>82</sup>[composite licence] <sup>83</sup>[ or exploration licence], as the case may be.  
<sup>84</sup>[and the transfer will not result in change of status of captive mine to merchant mine or *vice versa*]:

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<sup>67</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>68</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>69</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>70</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>71</sup> Omitted by G.S.R.775(E), dated 02.11.2021

<sup>72</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>73</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>74</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>75</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>76</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>77</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>78</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>79</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>80</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>81</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>82</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>83</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>84</sup> Inserted by G.S.R.775(E), dated 02.11.2021

Provided that any change of status of mine, from captive to merchant or *vice versa* upon any transfer effected prior to the commencement of the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession (Fourth Amendment) Rules, 2021 shall be void and the captive or merchant status of such mine, as the case may be, as it stood prior to such transfer, shall be restored.]

- (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 <sup>85</sup>[composite licence]<sup>86</sup>[ or exploration licence] lease, as the case may be, at any time if the lessee <sup>87</sup>[or the licensee] 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.
- <sup>88</sup>(12) The upfront payment made by any transferee of mining lease under the provisions of the Minerals (Transfer of Mining Lease Granted Otherwise than through Auction for Captive Purpose) Rules, 2016, as it stood prior to its rescission, shall be refunded by the State Government to such transferee after adjustment against the transfer charges payable under the said rules till 27th of March, 2021:  
Provided that such refund shall be made within sixty days from the date application by the transferee for such refund.]

<sup>89</sup>[23A. **Transfer of letter of intent for grant of mining lease or composite licence in certain cases.**— (1) The letter of intent issued upon auction for grant of mining lease or composite licence in accordance with the provisions of the Mineral (Auction) Rules, 2015

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<sup>85</sup> Substituted by G.S.R.775(E), dated 02.11.2021

<sup>86</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>87</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>88</sup> Inserted by G.S.R.775(E), dated 02.11.2021

<sup>89</sup> Inserted by G.S.R.209(E), dated 24.03.2021

may be transferred in the manner specified in this rule in cases where the State Government is satisfied that such transfer of letter of intent to the transferee (the “transferee”) is necessary consequent to conclusion of insolvency, liquidation, or bankruptcy proceedings, as the case may be, in respect of the original holder of the letter of intent (the “transferor”) by the competent tribunal or the court under the provisions of the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

- (2) The transferee shall make an application, namely the “transfer application”, to the State Government along-with the following particulars, namely: —
  - (a) details of the transferee including its address;
  - (b) details and certified copy of the approval of the competent authority or the court under the provisions of the Insolvency and Bankruptcy Code, 2016 regarding such transfer;
  - (c) details regarding eligibility of the transferee to hold such letter of intent and consequent mining lease or composite licence in accordance with the Act and the rules made thereunder; and
  - (d) copy of the letter of intent granted to the transferor.
- (3) The State Government within a period of ninety days from the date of receiving the transfer application made under sub-rule (2) shall convey its decision to approve or reject such transfer for reasons to be recorded in writing and the transfer shall be effective from the date of conveyance of such approval:

Provided that no such transfer of a letter of intent shall be made in contravention of any condition subject to which such letter of intent was issued.
- (4) All transfers effected under this rule shall be subject to the following conditions, namely:—
  - (a) the transferee is eligible to participate in the auction in accordance with the Act and the rules made thereunder; and
  - (b) 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 letter of intent.
- (5) On and from the date of transfer, the transferee shall be liable to the State Government and Central Government with respect to any and all liabilities with respect to the transferred letter of intent and shall continue to comply with all the obligations required for obtaining the mining lease or the composite licence, as the case may be.
- (6) The State Government shall intimate the Indian Bureau of Mines in writing about any transfer of a letter of intent.
- (7) The State Government may, by an order in writing terminate any letter of intent or consequent mining lease or composite licence, as the case may be, at any time if the transferee has, in the opinion of the State Government, committed a breach of any of the provisions of this rule or has transferred such letter of intent or any right, title, or interest therein otherwise than in accordance with this rule:

Provided that no such order shall be made without giving the transferee a reasonable opportunity of being heard.]

<sup>90</sup>[23B. **Mutation of mining lease or composite licence** <sup>91</sup>[or exploration licence] in favour of legal heirs on death of the lessee or licensee.- (1) In case of death of the holder of a mining lease or composite licence <sup>92</sup>[or exploration licence] during the currency of the lease or licence period, the legal heirs may apply to the State Government for mutation of their name in the lease or licence in place of the deceased lessee or licensee, as the case may be.

(2) The State Government within a period of ninety days from the date of receiving such application for mutation shall enter the names of such legal heirs in the records in place of the deceased lessee or licensee or reject such mutations for the reasons to be recorded in writing:

Provided further that no such mutation of name in a mining lease or a composite licence <sup>93</sup>[or exploration licence] shall be made in contravention of any condition subject to which such lease or licence was granted.

(3) The State Government shall intimate the Indian Bureau of Mines in writing about any mutation under this rule.]

24. <sup>94</sup>[\*\*\*]

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.

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<sup>90</sup> Inserted by G.S.R.775(E), dated 02.11.2021

<sup>91</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>92</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>93</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>94</sup> Omitted by G.S.R.775(E), dated 02.11.2021

- (2) The application shall be accompanied by documentary evidence to confirm that mineral rights vest in the applicant and the applicant is the owner of the land in respect of which the prospecting licence or mining lease, as the case may be, is proposed to be granted.
- (3) The State Government shall, upon satisfying itself of the bona fides of the applicant, pass an order, in writing, within a period of ninety days from the date of receiving the application made under sub-rule (1), rejecting the application or authorising the applicant to grant a prospecting licence or mining lease, as the case may be, with respect to such land.
28. **Conditions of prospecting licence.-** Every prospecting licence granted pursuant to rule 27 shall be subject to such conditions as may be agreed upon in writing between the grantor of the licence and the licensee.
29. **Conditions of mining lease.-** Every mining lease granted pursuant to rule 27 shall be subject to such conditions as may be agreed upon in writing between the grantor of the lease and the lessee:
- Provided that the lessee shall be obligated to:
- (a) comply with the provisions of the rules made under section 18;
  - (b) comply with the provisions of Chapter V regarding preparation of a mining plan and system of certification;
  - (c) operate the mine in accordance with the mining plan; and
  - (d) provide the State Government with a security deposit of the value of rupees five lakhs per hectare, as security for ensuring compliance with the mine closure plan.
30. **Submission of copy of licence or lease.-** Every person obtaining a prospecting licence or a mining lease under this Chapter IX shall, within three months of the grant of such licence or lease, as the case may be, submit to the State Government concerned, a certified copy of the licence or lease in duplicate.
31. **Communication of transfer or assignment.-** Every transferee or assignee of a prospecting licence or a mining lease or of any right, title or interest therein shall, within one month of such transfer or assignment, inform the State Government of the transfer or assignment and of the terms and conditions of such transfer and assignment .
32. **Prohibition of working of mines.-** If the State Government has reason to believe that the grant or transfer of a prospecting licence or a mining lease or any right, title or interest in such licence or lease is in contravention of any of the provisions of this Chapter IX, the State Government may, after giving the parties an opportunity to represent their views and with the approval of the Central Government, direct the parties concerned not to undertake any prospecting or mining operations in the area to which the licence or lease relates.
33. **Returns and statements.-** The holder of a prospecting licence or a mining lease shall furnish to the State Government such returns and statements and within such period as may be specified as per the rules made under section 18.

34. **Penalty.-** In the event that any prospecting licence or mining lease is granted in contravention of the provisions of this Chapter IX, the grantor of the licence or lease shall be liable to be penalized under the provisions of rule 54.

#### **CHAPTER X: REVISION**

35. **Application for revision.-** (1) Any person aggrieved by:

- (a) any order made by the State Government or other authority in exercise of the powers conferred on it by or under the Act or the rules made thereunder; or
- (b) non-passing of any order by the State Government or other authority in exercise of the powers conferred on it by or under the Act or the rules made thereunder, within the time prescribed therefor

may, within three months of (i) the date of communication of the order to him; or (ii) the date on which the time period for passing such order expired, apply to the Central Government in the form specified in **Schedule XI** for passing of an order, pursuant to section 30.

- (2) The application should be accompanied by a bank draft for rupees ten thousand as application fee drawn on a Scheduled bank in the name of 'Pay and Accounts Officer, Ministry of Mines' payable at New Delhi or by way of a bank transfer to the designated bank account of the Ministry of Mines:

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

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

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

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

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

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

- (2) Comments received from any party under sub-rule (1) shall be sent to the other parties for making such further comments as they may like to make within one month from the

date of issue of the communication and the parties making further comments shall send them to all the other parties.

- (3) The revision application, the communications containing comments and counter-comments referred to in sub-rule (1) and (2) shall constitute the records of the case.
- (4) After considering the records referred to in sub-rule (3), the Central Government may confirm, modify or set aside the order or pass such other order in relation thereto as the Central Government may deem just and proper.
- (5) Notwithstanding anything contained in this rule, the Central Government may for sufficient cause, pending the final disposal of an application for revision, stay the execution of the order against which any revision application has been made.

## **CHAPTER XI: ASSOCIATED MINERALS**

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

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

## **CHAPTER XII: MINERALS VALUATION**

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

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

39. **Payment of royalty.**-(1) In case processing of run-of-mine is carried out within the leased area, then royalty shall be chargeable on the processed mineral removed from the leased area.
- (2) In case run-of-mine is removed from the leased area to a processing plant which is located outside the leased area, then royalty shall be chargeable on the unprocessed run-of-mine and not on the processed product.
- (3) Wherever the Act specifies that the royalty in respect of any mineral is to be paid on an *Ad valorem* basis, the royalty shall be calculated at the specified percentage of the average sale price of such mineral grade/ concentrate, for the month of removal / consumption, as published by the Indian Bureau of Mines.
- (4) Wherever the Act specifies that the royalty in respect of any mineral is to be paid based on London Metal Exchange or London Bullion Market Association price, the royalty shall be calculated at the specified percentage of the average sale price of the metal for the month as published by the Indian Bureau of Mines, for the metal contained in the ore removed or the total by-product metal actually produced, as the case may be, of such mineral for the month.
- (5) Wherever the Act specifies that the royalty of any mineral is to be paid on tonnage basis, the royalty shall be calculated as product of mineral removed or consumed from the lease area and the specified rate of royalty.
40. **Provisional Assessment and Adjustment.**- (1) At the time of removal or consumption of mineral from the mining lease area, the lessee shall calculate the amount of Royalty, payment to the District Mineral Foundation, payment to the National Mineral Exploration Trust, based on the latest available average sale price of the said mineral grade and pay the same to the Government as provisional payment for the same.
- (2) After the publication of the Average Sale Price of the Minerals for the month by the Indian Bureau of Mines, due adjustment of the actual amounts payable against the provisional payment may be made:
- Provided that if for a particular mineral grade / concentrate, the average sale price for a State for a particular month is not published by the Indian Bureau of Mines, the last available information published for that mineral grade / concentrate for that particular State by the Indian Bureau of Mines in the last six months previous to the month for which assessment is done shall be used, failing which the latest information for All India for the mineral grade / concentrate, shall be used.
41. **Royalty chargeable on dry basis.**- (1) In case of metallic ores where the royalty is chargeable on the metal contained in such ore, the royalty shall be charged on dry basis on the prices published by London Metal Exchange or London Bullion Market Association.
42. **Computation of average sale price.**- (1) The ex-mine price shall be used to compute average sale price of mineral grade/ concentrate.

- (2) The ex-mine price of mineral grade or concentrate shall be:
- (a) where export has occurred, the free-on-board (F.O.B) price of the mineral less the actual expenditure incurred beyond the mining lease area towards transportation charges by road, loading and unloading charges, railway freight (if applicable), port handling charges/export duty, charges for sampling and analysis, rent for the plot at the stocking yard, handling charges in port, charges for stevedoring and trimming, any other incidental charges incurred outside the mining lease area as notified by the Indian Bureau of Mines from time-to-time, divided by the total quantity exported.
  - (b) where domestic sale has occurred, sale value of the mineral less the actual expenditure incurred towards transportation, loading, unloading, rent for the plot at the stocking yard, charges for sampling and analysis and any other charges beyond mining lease area as notified by the Indian Bureau of Mines from time-to-time, divided by the total quantity sold.
  - (c) where sale has occurred, between related parties and/or where the sale is not on arms' length basis, then such sale shall not be recognized as a sale for the purpose of this rule and in such case, sub-clause (d) shall be applicable.
  - (d) where sale has not occurred, the average sale price published monthly by the Indian Bureau of Mines for that mineral grade / concentrate for a particular State:  
Provided that if for a particular mineral grade / concentrate, the information for a State for a particular month is not published by the Indian Bureau of Mines, the last available information published for that mineral grade / concentrate for that particular State by the Indian Bureau of Mines in the last six months previous to the reporting month shall be used, failing which the latest information for All India for the mineral grade / concentrate, shall be used.
- (3) The average sale price of any mineral grade/concentrate in respect of a month shall be the weighted average of the ex-mine prices of the non-captive mines, <sup>95</sup>[and any merchant sale done by the 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, <sup>96</sup>[Zinc, and such other metals], 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 <sup>97</sup>[or any agency authorised by the Reserve Bank of India], for the currency in which the price is obtained.

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<sup>95</sup> Inserted by G.S.R.775(E), dated 02.11.2021

<sup>96</sup> Substituted by G.S.R. 674(E), dated 20.09.2019

<sup>97</sup> Inserted by G.S.R. 674(E), dated 20.09.2019

<sup>98</sup>[Provided that in respect of metals for which London Metal Exchange does not publish the daily settlement price, the monthly average price for that metal published by London Metal Exchange shall be multiplied by monthly average of reference rate for the currency in which the price is obtained.]

<sup>99</sup>[(ia) <sup>100</sup>[omitted]]

(ii) In respect of Gold, <sup>101</sup>[Silver and such other metals], 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 <sup>102</sup>[and other minerals].-**

<sup>103</sup>[(1) The State Government shall arrive at the average sale price of metallurgical grade Bauxite in the following manner:

Average Sale Price = 52.90% X	Percentage of Al <sub>2</sub> O <sub>3</sub>	X	Average Aluminium price
	in bauxite on dry basis.		in Indian rupees for the month as published by IBM X Conversion factor as notified <sup>104</sup> by the Central Government.]

(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) <sup>105</sup>[The Indian Bureau of Mines shall publish average sale price of Tungsten Trioxide (WO<sub>3</sub>) in Indian Rupees on the basis of prices published by the United States Geological Survey or other

<sup>98</sup> Inserted by G.S.R. 254(E), dated 08.04.2021

<sup>99</sup> Inserted by G.S.R. 737 (E), dated 12.10.2023.

<sup>100</sup> Omitted by G.S.R. 486 (E), dated 21.07.2025.

<sup>101</sup> Substituted by G.S.R. 674(E), dated 20.09.2019

<sup>102</sup> Inserted by G.S.R. 205(E), dated 15.03.2022

<sup>103</sup> Substituted by G.S.R. 674(E), dated 20.09.2019

<sup>104</sup> Vide G.S.R. 675(E), dated 20.09.2019

<sup>105</sup> Substituted by G.S.R. 118(E), dated 20.02.2024.

reputed publications for Tungsten concentrate for the latest available calendar year by multiplying such price of Tungsten concentrate with the following, namely:-

- (i) average reference rate of Reserve Bank of India for the said calendar year, and
- (ii) the conversion factor of 1.54.]

(4) <sup>106</sup>[The following formula shall be used by Indian Bureau of Mines for arriving at the average sale price of Glaucanite and Potash:

$$\begin{array}{l} \text{(i) Average Sale Price for Glaucanite \& Potash} \\ \text{= Domestic price of Muriate of Potash (MOP) as published in the monthly bulletins of Department of Fertilizers, Government of India.} \\ \text{X Percentage of K}_2\text{O content in Glaucanite/Potash deposit.} \\ \text{X 0.4 (conversion factor).] \end{array}$$

<sup>107</sup>[(5)(a) The Indian Bureau of Mines shall publish average sale price of Rare Earth Oxide in Indian Rupees on the basis of prices published by United States Geological Survey (USGS) or other reputed publications by multiplying the price of Rare Earth Oxide by average reference rate of Reserve Bank of India for the month for the currency in which the price is obtained and in case the price of Rare Earth Oxide is not available on monthly basis, the average sale price shall be published on the basis of price of Rare Earth Oxide for the last available calendar year.

(b) The State Government shall arrive at average sale price of the ore containing Rare Earth Elements in the following manner, namely:—

Average sale price of the ore containing Rare Earth Elements	=	Sum of (percentage of individual rare earth oxide contained in the ore multiplied by average sale price of that rare earth oxide published by Indian Bureau of Mines).
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(6) The Indian Bureau of Mines shall publish average sale price of Niobium in Indian Rupees on the basis of prices published by United States Geological Survey (USGS) or other reputed publications for Ferro-Niobium for the last available calendar year by multiplying such price with the following, namely:—

- (i) average reference rate of Reserve Bank of India for the said calendar year, and
- (ii) the conversion factor of 1.59.]

<sup>108</sup>[(7) The Indian Bureau of Mines shall publish average sale price of Cadmium, Gallium, Indium, Rhenium, Selenium, Tellurium <sup>109</sup>[, Titanium <sup>110</sup>[and Zirconium in]] Indian Rupees on the basis of prices published by the United States Geological Survey or other reputed publications for the Cadmium metal, Gallium metal, Indium metal, Rhenium metal pellets, Selenium powder, Tellurium metal <sup>111</sup>[, Titanium sponge metal <sup>112</sup>[and Zirconium sponge]] as the case may be, for the latest available calendar year by multiplying such price with average reference rate of Reserve Bank of India for the said calendar year.

(8) The Indian Bureau of Mines shall publish average sale price of Beryllium in Indian Rupees on the basis of prices published by the United States Geological Survey or other reputed publications for the Beryllium-copper master alloy for the latest available calendar year by multiplying such price with the following, namely:—

<sup>106</sup> Inserted by G.S.R. 205 (E), dated 15.03.2022.

<sup>107</sup> Inserted by G.S.R. 737 (E), dated 12.10.2023

<sup>108</sup> Inserted by G.S.R. 118(E), dated 20.02.2024

<sup>109</sup> Substituted by G.S.R. 486(E), dated 21.07.2025.

<sup>110</sup> Substituted by G.S.R. 22(E), dated 12.01.2026.

<sup>111</sup> Substituted by G.S.R. 486(E), dated 21.07.2025.

<sup>112</sup> Substituted by G.S.R. 22(E), dated 12.01.2026.

- (i) average reference rate of Reserve Bank of India for the said calendar year, and
- (ii) the conversion factor of 25.

(9) The Indian Bureau of Mines shall publish average sale price of Tantalum in Indian Rupees on the basis of prices published by the United States Geological Survey or other reputed publications for Tantalite for the latest available calendar year by multiplying such price with the following, namely:—

- (i) average reference rate of Reserve Bank of India for the said calendar year, and
- (ii) the conversion factor of 1.22.

(10) The Indian Bureau of Mines shall publish average sale price of Vanadium Pentoxide in Indian Rupees on the basis of prices published by the United States Geological Survey or other reputed publications for the Vanadium Pentoxide for the latest available calendar year by multiplying such price of Vanadium Pentoxide with average reference rate of Reserve Bank of India for the said calendar year.]

<sup>113</sup>[(11) The Indian Bureau of Mines shall publish average sale price of Rubidium in Indian Rupees on the basis of prices published by the United States Geological Survey or other reputed publications for Rubidium Carbonate for the latest available calendar year by multiplying such price with the following, namely:—

- (a) average reference rate of Reserve Bank of India for the said calendar year; and
- (b) the conversion factor of 1.35.]

<sup>114</sup>[(12) The Indian Bureau of Mines shall publish average sale price of Caesium in Indian Rupees on the basis of prices published by the United States Geological Survey or other reputed publications for Caesium Carbonate for the latest available calendar year by multiplying such price with the following, namely:—

- (a) average reference rate of Reserve Bank of India for the said calendar year; and
- (b) the conversion factor of 1.23.]

**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.

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<sup>113</sup> Inserted by G.S.R. 486(E), dated 21.07.2025.

<sup>114</sup> Inserted by G.S.R. 22(E), dated 12.01.2026.

### 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 <sup>115</sup>[twelve per cent.] 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 <sup>116</sup>\*\*\*] 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 <sup>117</sup>[composite licence] 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 <sup>118</sup>[composite licence] 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

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<sup>115</sup> Substituted by G.S.R. 775 (E), dated 02.11.2021

<sup>116</sup> Omitted by G.S.R. 775 (E), dated 02.11.2021

<sup>117</sup> Substituted by G.S.R. 775 (E), dated 02.11.2021

<sup>118</sup> Substituted by G.S.R. 775 (E), dated 02.11.2021

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**

<sup>119</sup>[54. **Penalty.**— (1) Any contravention of rules 11, 12, 12A, 12B, 13, 15, 17 [sub-rule (1)], 21 [sub-rule 4], 22 [sub-rule (2)], 23, 25, 28 to 33, 40, 50, 51, 52, 60, 61, 64 and 65 shall be punishable with imprisonment for a term which may extend to two years or with fine which may extend to rupees five lakhs, or with both, and in the case of a continuing contravention, with additional fine which may extend to rupees fifty thousand for every day during which such contravention continues after conviction for the first such contravention.

- (2) Any contravention of sub-rule (2) of rule 17 shall be punishable with fine for an amount as specified in Schedule XII.]

#### **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) <sup>120</sup>[Concession Rules, 2016] 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) <sup>121</sup>[Concession Rules, 2016], to the extent it is not repugnant to the context thereof.

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

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

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

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

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<sup>119</sup> Substituted by G.S.R. 775 (E), dated 02.11.2021

<sup>120</sup> Substituted by G.S.R. 775 (E), dated 02.11.2021

<sup>121</sup> Substituted by G.S.R. 775 (E), dated 02.11.2021

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. <sup>122</sup>**[Supply of certain information to the new concession holder.]**- 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.

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<sup>122</sup> Substituted by G.S.R. 775 (E), dated 02.11.2021

- (2) Applications for research or training from students of institutions teaching mining, geology or mineral processing shall be forwarded to the owner, agent or manager of a mine through the Principal or Head of the Institution.
- (3) Cases of refusal to provide facilities for research or practical training by any owner, agent or manager of a mine shall be referred to the Controller General, Indian Bureau of Mines for his decision within a period of thirty days.

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

- (a) all geophysical data relating to prospecting or mining fields or engineering and ground water surveys, such as anomaly maps, sections, plans, structures, contour maps, logging collected by him during the course of reconnaissance or prospecting or mining operations, to the Director General, Geological Survey of India, Calcutta and the Director of Geology and Mining of the State (by whatever name called) in which the reconnaissance or prospecting or mining operations are carried on.
  - (b) all information pertaining to incidental investigations of atomic minerals discovered and stacked by him during the course of reconnaissance or prospecting or mining operations to the Director, Atomic Minerals Directorate for Exploration and Research, Hyderabad, and to the Director of Geology and Mining of the State (by whatever name called), in which the reconnaissance or prospecting or mining operations are carried on.
- (2) Data or information referred to in sub-rule (1) shall be furnished every year reckoned from the date of commencement of the period of the mineral concession.

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

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

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

**67. Issue of notification where prospecting operations are to be undertaken.-** (1) Where a prospecting operation is to be undertaken by the Geological Survey of India, the Indian Bureau of Mines, the <sup>123</sup>[Atomic Minerals Directorate for Exploration and Research] 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, <sup>124</sup>[under the second proviso to sub-section (1) of section 4, the Central 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).

<sup>125</sup>[(3) The Central Government may revoke a notification issued under sub-rule (1) 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 <sup>126</sup>[omitted] 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 <sup>127</sup>[Central 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.

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<sup>123</sup> Substituted by G.S.R. 486(E), dated 21.07.2025.

<sup>124</sup> Substituted by G.S.R. 486(E), dated 21.07.2025.

<sup>125</sup> Substituted by G.S.R. 486(E), dated 21.07.2025.

<sup>126</sup> Omitted by G.S.R. 486(E), dated 21.07.2025.

<sup>127</sup> Substituted by G.S.R. 486 (E), dated 21.07.2025.

<sup>128</sup>[71. **When day of completion of any requirement is a public holiday.**— When the day of completion of any requirement under these rules is falling due on a public holiday, the day of completion shall be deemed to be due on the next working day.

*Explanation.*—The expression “public holiday” includes Saturday, Sunday and any other day declared to be a public holiday by the Central Government or the State Government, as the case may be.

## **CHAPTER XVIII MINING BY GOVERNMENT COMPANIES**

**72. 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 12th 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 three months prior to the expiry of the mining lease, shall, extend the period of the mining lease for further periods of twenty years at a time:

Provided that the State Government may condone the delay in making of such application.

(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) If an application for extension of a mining lease made within the time referred to in sub-rule (2), including any application for extension of mining lease submitted before the commencement of the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession (Fourth Amendment) Rules, 2021, is not disposed of by the State Government before the date of expiry of the mining lease which may take place before or after the commencement of the said Rules, the period of that lease shall be deemed to have been extended by a further period till the State Government grants extension of mining lease and the Government company or corporation may continue mining operations, production and dispatch from such mining lease:

Provided that the Government company or corporation shall pay the amounts as specified in rule 74 upon such deemed extension.

**73. 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-

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<sup>128</sup> Inserted by G.S.R. 775 (E), dated 02.11.2021

sections (2A) and (2B) of section 17A of the Act, at least three months prior to the expiry of the mining lease, shall extend the period of the mining lease for further periods of twenty years at a time:

Provided that the State Government may condone the delay in making of such application.

- (4) If an application for extension of a mining lease made within the time referred to in sub-rule (3) is not disposed of by the State Government before the date of expiry of the mining lease, the period of that lease shall be deemed to have been extended by a further period till the State Government grants extension of mining lease and the Government company or corporation may continue mining operations, production and dispatch from such mining lease:

Provided that the Government company or corporation shall pay the amounts as specified in rule 74 upon such deemed extension.

74. **Payments by a Government company or corporation.**— (1) In case of a mining lease granted or extended to a Government company or corporation or a joint venture, under the provisions of the Act, otherwise than through auction; on or after 12th January 2015, shall pay an amount to the State Government as prescribed under Fifth Schedule of the Act for the mineral produced after the commencement of the Mines and Mineral (Development and Regulation) Amendment Act, 2021.

- (2) A Government company or corporation, in addition to payment of additional amount as specified in Fifth Schedule, 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.]

**SCHEDULE I**

<sup>129</sup>[\*\*\*]

**SCHEDULE II**

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

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

Government of [*name of the state*]

[*date*]

Ref:

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

Enclosures:

(1).....

(2).....

Place:

Date:

Signature and designation of Receiving Officer

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<sup>129</sup> Omitted by G.S.R. 50(E), dated 21.01.2024

### SCHEDULE III

<sup>130</sup>[\*\*\*]

### SCHEDULE IV

<sup>131</sup>[\*\*\*]

### 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 <sup>132</sup>[ composite licence], pursuant to which the Licencee has become eligible for grant of a prospecting licence as a first stage of the <sup>133</sup>[ composite licence] 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

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<sup>130</sup> Omitted by G.S.R. 50(E), dated 21.01.2024

<sup>131</sup> Omitted by G.S.R. 50(E), dated 21.01.2024

<sup>132</sup> Substituted by G.S.R. 775 (E), dated 02.11.2021

<sup>133</sup> Substituted by G.S.R. 775 (E), dated 02.11.2021

[*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)<sup>134</sup>[Concession Rules, 2016].

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:

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<sup>134</sup> Substituted by G.S.R. 775 (E), dated 02.11.2021

- (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, 2016, 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>135</sup>**

S. No	Name	PAN Number	Address

<sup>135</sup> To be deleted if the Lessee is not an association of individuals.

**SCHEDULE B: AREA OF PROSPECTING LICENCE**  
(Description of area, including Geo-coordinates, to be provided.)

<sup>136</sup>[**SCHEDULE – V-A**  
[See rule 9A(1)]]

**Format of Exploration Licence**

This deed for grant of an exploration licence (“Licence”) is made by and between the following, namely:—

**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 [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 “Licence”).

**BACKGROUND:**

**A.** The Licensee had participated in an electronic auction for grant of an exploration licence, pursuant to which the Licensee has become eligible for grant of an exploration licence.

**B.** Accordingly, the State Government is now executing this Licence for grant of a Licence to the Licensee 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 Licensee over an area described in Schedule B (“Licence Area”) for conducting reconnaissance or prospecting or both reconnaissance and prospecting operations for a period of five years, commencing from the date of the execution of the exploration 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 Licensee 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, 2016.

3.2. Without prejudice to the generality of the foregoing,

(a) the Licensee 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 Licensee;

(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 Licensee 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 made by any person or persons in respect of any such damage, injury or disturbance and all costs and expenses in connection therewith;

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<sup>136</sup> Inserted by G.S.R. 50(E). dated 21.01.2024

(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 or 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 or 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 may 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 without 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 Indian Bureau of Mines prevailing at the time of pre-emption.

Provided that no such amount shall be payable for any mineral(s) other than those specified in the Seventh Schedule.

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 or licensees) 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 or 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 or 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, 2016, 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\***

Sl. No.	Name	PAN Number	Address

#### **SCHEDULE B: AREA OF EXPLORATION LICENCE**

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

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\*To be deleted if the Licencee is not association of individuals

## SCHEDULE – V-B

[See rule 9A]

### FORMAT OF SUPPLEMENTARY EXPLORATION LICENCE

This deed for grant of an exploration 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 [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 an exploration licence, pursuant to which the Licencee has become eligible for grant of an exploration licence.

B. The State Government has executed exploration Licence on..... for grant of a Licence over the area described in Schedule B (“**Licence Area**”) to the Licencee for a period from.....to..... 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.

C. On...../after three years after such execution, the Licencee made an application to retain an area described in Schedule B-I/II/III... stating the reasons for retention of such area.

D. Accordingly, the State Government is executing this supplementary exploration Licence over the [retained area/ final retained area after three years] as described in Schedule B-I/II/III..

E. All the other terms and conditions of the exploration licence shall be applicable to this supplementary licence.

#### 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 Supplementary Licence to the Licencee over an area described in Schedule B-I/II/III... (“**Final/ Retained Area**”) for conducting reconnaissance/ prospecting/ both reconnaissance and prospecting operations for balance period out of five years (for retained area)/ for a balance period of two years (for final area), from the date of the execution of the exploration licence with respect to following mineral(s), [name of the minerals].

#### 3. 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\*

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\*To be deleted if the Licencee is not association of individuals

Sl. No.	Name	PAN Number	Address

**SCHEDULE B: AREA OF EXPLORATION LICENCE**

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

**SCHEDULE B-I: AREA OF SUPPLEMENTARY EXPLORATION LICENCE**

(As retained out of the total area granted EL after surrender of part area)

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

**SCHEDULE B-II: AREA OF SUPPLEMENTARY EXPLORATION LICENCE**

(As retained out of the total area granted EL after surrender of part area)

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

**SCHEDULE B-{N}: AREA OF SUPPLEMENTARY (FINAL) EXPLORATION LICENCE**

(As finally retained after a period of three years from the date of execution of the EL)

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

**SCHEDULE VI**

[See rule 7(1)]

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

To

[Address]

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

S. No.	Item Detail	Particulars
(1)	(2)	(3)
1.	Name of applicant with address  (In case of a firm or other association of individuals, provide names of each person constituting the firm or the association of individuals, as the case may be.)	
2.	Address of the applicant  (In case of a firm or other association of individuals, provide addresses of each person constituting the firm or the association of individuals, as the case may be.)	

3.	Status of the applicant <ul style="list-style-type: none"> <li>• Individual</li> <li>• Firm</li> <li>• Other association of individuals</li> <li>• Company</li> </ul>	
4.	Prospecting licence number/composite licence number	
5.	Date of registration of prospecting licence/composite licence deed and the date of expiry	
6.	Application fee payable (to be calculated at the rate of rupees five lakh per square kilometre on a <i>pro rata</i> basis.)	
7.	Name of bank, demand draft or challan number with date, through which application fee has been paid.	
8.	Mineral (s) for which the mining lease is being applied for	
9.	Manner in which the mineral raised is to be utilised (captive or non-captive)	
10.	Extent of the area for which mining lease is required (Hectares)	
11.	Details of area	
11.1.	District	
11.2.	Village	
11.3.	Taluka	
11.4.	Khasra Number	
11.5.	Geo co-ordinates of the area as per Differential Geographical Positioning System.	
11.6.	Survey of India Toposheet number	

12.	Where the land is not owned by the applicant, whether the applicant has obtained surface rights over the area or has obtained the consent of the owner for starting mining operations.	Yes/No
13.	In the area applied for is under forest. If yes, then the following particulars be given	Yes/No
13.1.	Forest Division, Block and Range	
13.2.	Legal status of the forest (namely reserved, protected, unclassified etc.)	
13.3.	Whether it forms part of a national park or wild-life sanctuary	
13.4.	Enclose the forest map with area marked. If forest map is not available, the area should be marked on sketch plan drawn to scale showing all the forest features	
13.5.	Proposed method of mining	underground / opencast
14.	Particulars of the area mineral-wise in the State which the applicant individually or jointly: –  (a) already holds under a mining lease;  (b) has applied for a mining lease but not granted; and  (c) being applied for a mining lease simultaneously.	
15.	Has the applicant carried out the prospecting operations over the area held under prospecting licence, or the composite licence, as the case may be, and prepared the geological report in conformity with the Minerals (Evidence of Mineral Contents) Rules, 2015?	Yes/No
16.	Has the copy of geological report been attached with the application form?	Yes/No
17.	Has the applicant committed any breach of the terms and conditions of the reconnaissance permit?	Yes/No
18.	Has the applicant become ineligible under the provisions of the Act?	Yes/No

19.	Has the applicant made an application within the time period specified in sub-clause (iv) of clause (b) of sub-section (2) of Section 10A of the Act?	Yes/No
20.	Has the applicant been convicted for illegal mining by any court?	Yes/No

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

Yours faithfully,

Place:

Date:

**Signature of the applicant**

**Instructions to applicants:**

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

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

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

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

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

## SCHEDULE VII

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

### FORMAT OF MINING LEASE

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

#### **PARTIES:**

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

AND

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

#### **BACKGROUND:**

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

#### **1. DEFINITIONS**

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

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

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

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

### 3. RIGHTS AND OBLIGATIONS

- 3.1. The rights and obligations of the State Government and the Lessee shall be as specified in the Act and the rules made thereunder, including without limitation the Minerals (Other than Atomic and Hydro Carbons Energy Minerals)<sup>139</sup>[Concession Rules, 2016] 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

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<sup>139</sup> Substituted by G.S.R. 775(E), dated 02.11.2021

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, 2016, 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>140</sup>**

S. No	Name	PAN Number	Address

**SCHEDULE B: AREA OF MINING LEASE**

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

**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

<sup>140</sup> To be deleted if the Lessee is not an association of individuals.

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/<sup>141</sup>[composite licence]<sup>142</sup>[or exploration licence].

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 <sup>143</sup> [or exploration licence] number	
6.	Date of registration of mining lease/composite licence <sup>144</sup> [or exploration licence]	

<sup>141</sup> Substituted by G.S.R. 775(E), dated 02.11.2021

<sup>142</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>143</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>144</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

7.	Whether the transferee is eligible to hold the mining lease/composite licence <sup>145</sup> [or exploration 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 <sup>146</sup> [or exploration licence].	Yes/No

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

The transferee and transferor also undertake to comply with the provisions of Section 12A and the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) <sup>147</sup>[Concession Rules, 2016] with respect to the transfer of the mining lease/ <sup>148</sup>[composite licence] <sup>149</sup>[or exploration licence].

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.

<sup>145</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>146</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>147</sup> Substituted by G.S.R. 775(E), dated 02.11.2021

<sup>148</sup> Substituted by G.S.R. 775(E), dated 02.11.2021

<sup>149</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

- (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** <sup>150</sup>[or exploration licence]") and a copy of the Composite Licence <sup>151</sup>[or exploration licence] in attached hereto as **Annexure A**.
- B. In terms of the Composite Licence<sup>152</sup>[or exploration licence], the Transferor is entitled to conduct Geological Exploration of the area under the Composite Licence<sup>153</sup>[or exploration 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<sup>154</sup>[or exploration licence] including a covenant not to transfer the Composite Licence <sup>155</sup>[or exploration 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 <sup>156</sup>[or exploration 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<sup>157</sup>[or the exploration 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 <sup>158</sup>[or exploration 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 <sup>159</sup>[or exploration licence] in the same manner in all

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<sup>150</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>151</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>152</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>153</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>154</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>155</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>156</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>157</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>158</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>159</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

respects as if the Composite Licence <sup>160</sup>[ or exploration 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 <sup>161</sup>[ or exploration licence] .
  - 3.2. The Transferor and the Transferee declare that they have ensured that the mineral rights over the area for which the Composite Licence <sup>162</sup>[ or exploration 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<sup>163</sup>[ or exploration licence], and covenants, agrees and confirms that it shall be bound by all provisions of the Composite Licence <sup>164</sup>[or exploration 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 <sup>165</sup>[or exploration licence] now being transferred and that no other person or persons has any right, title or interest where under in the present Composite Licence <sup>166</sup>[or exploration 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<sup>167</sup>[ or exploration 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 <sup>168</sup>[ or exploration licence] .

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

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<sup>160</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>161</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>162</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>163</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>164</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>165</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>166</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>167</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

<sup>168</sup> Inserted by G.S.R. 50(E), dated 21.01.2024

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.

<b>S. No.</b>	<b>Item Detail</b>	<b>Particulars</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
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 in 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.

<sup>169</sup>[<sup>170</sup>**Schedule XII**  
[See rule 54(2)]

**AMOUNT OF FINE**

<b>Rule No.</b>	<b>Marginal heading of the Rule</b>	<b>Amount of fine for leases having lease area up to 25 hectare and having per annum approved production capacity up to 2 lakh tonnes (in Rs.)</b>	<b>Amount of fine for the cases other than those covered in column (3) (in Rs.)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
Sub-Rule (2) of rule 17	Modification and review of Mining Plan	1,000/- per day, subject to maximum 5,00,000/-	2,000/- per day, subject to maximum 5,00,000/-.]

<sup>169</sup> Substituted by G.S.R. 50(E), dated 21.01.2024

<sup>170</sup> Inserted by G.S.R. 775(E), dated 02.11.2021