

**DRAFT (9/7/2009)**

**The Mines and Minerals (Scientific Development & Regulation) Act, 2009**

An Act to provide for the scientific development of mines and minerals under the control of the Union and the regulation of activities connected therewith.

Be it enacted by Parliament in the Sixtieth Year of the Republic of India as follows:-

**Chapter-I : PRELIMINARY**

**1. Short title, extent and commencement:**

- (1) This Act may be called the Mines and Minerals (Scientific Development and Regulation) Act, 2009.
- (2) It extends to the whole of India
- (3) It shall come into force with immediate effect.

**2. Declaration as to the expediency of Union control:**

It is hereby declared that it is expedient in the public interest that the Union should take under its control the regulation of mines and mineral development to the extent hereinafter provided.

**3. Definitions:**

In this Act, unless the context otherwise requires

- (a) '*atomic minerals*' means minerals listed in Part B of Schedule-I to this Act.

- (b) '*Atomic Minerals Directorate*' means the Director, Atomic Minerals Directorate for Exploration and Research, Hyderabad under the Department of Atomic Energy of the Central Government
- (c) '*cess*' means a duty imposed and collected on any major mineral for the purposes of this Act.
- (c) '*concession*' means a Reconnaissance Licence, a Large Area Prospecting Licence, a Prospecting Licence, or a Mining Lease.
- (d) '*detailed exploration*' means the process of detailed delineation of a mineral deposit.
- (e) '*fund*' means the National Mineral Fund created under Section 43 of this Act or the State Mineral Fund created under Section 44 of the Act as the case may be.
- (f) '*forest area*' means any area to which the provisions of the Forest (Conservation) Act 1980, is applicable
- (g) '*general exploration*' means the process of initial delineation of a mineral deposit in an area of promising enhanced mineral potential.
- (h) '*coal minerals*' means minerals listed in Part A of Schedule-I of this Act.
- (i) The '*Indian Bureau of Mines*' means the Controller-General of the Indian Bureau of Mines, an subordinate office of Ministry of Mines in the Central Government or any officer of the Indian Bureau of Mines authorized by Controller General of the Indian Bureau of Mines in this behalf by general or special order.
- (j) A '*Large Area Prospecting Licence*' means a combined licence for reconnaissance and prospecting, including general and detailed exploration.
- (k) '*major mineral*' means a mineral included in Schedule I to this Act.
- (l) '*Mine*' and '*Owner*' have the meanings assigned to them in the Mines Act, 1952.
- (m) '*mining lease*' means a lease granted by the competent authority for the purpose of undertaking mining operations in accordance with or under this Act.

- (n) '*minor mineral*' means a mineral other than a major mineral.
- (o) '*notified*' means notification in the Official Gazette.
- (p) '*official gazette*' means the Official Gazette by whatever name called, of the Central or the State Government as the case may be.
- (q) '*official website*' means the public website owned or managed by the Ministry concerned in the Central Government and the Department concerned of the State Government as the case may be.
- (r) '*Panchayat*' means a Panchayat as constituted under article 243 of the Constitution.
- (s) '*prescribed*' means prescribed through Rules made under this Act.
- (t) '*prospecting*' means the systematic process of searching for a mineral deposit by narrowing down an area of promising enhanced mineral potential.
- (u) A '*prospecting licence*' means permission to conduct prospecting, general exploration and detailed exploration operations. Unless the context otherwise requires, the expression, '*prospecting licence*' shall be deemed to include '*a large area prospecting licence.*'
- (v) '*Reconnaissance*' means the systematic process of identifying areas of enhanced mineral potential on a regional scale.
- (w) '*State Directorate*' means the Directorate of Mining and Geology of the State Government (by whatever name called) responsible for regulation of mining activities within the State.
- (x) "*sustainable development framework*" means the National Sustainable Development Framework or a State Sustainable Development Framework prepared in pursuance to the provisions of Section 45(2) of the Act.

## Chapter-II: CONCESSIONS GENERALLY

### 4. Reconnaissance, prospecting and mining operations to be licenced except as provided

(1) Unless provided in this Act, no person shall undertake any reconnaissance, prospecting, general exploration, detailed exploration or mining in respect of any major or minor mineral except under a Reconnaissance Licence, Prospecting Licence or Mining Lease as the case may be granted in accordance with the provisions of this Act and Rules made thereunder.

Provided that nothing in this sub-section shall apply to any reconnaissance, prospecting, general exploration, detailed exploration or mining operation undertaken in any area in accordance with the terms and conditions of a Reconnaissance Licence, Prospecting Licence or Mining Lease granted before the commencement of this Act which is in force at such commencement.

(2) No licence shall be necessary in respect of reconnaissance or prospecting operations undertaken in such manner as may be prescribed, by the Geological Survey of India, Atomic Minerals Directorate and State Directorate and such other Government agencies, as may be notified from time to time in respect of any land where rights on minerals vest in the Government.

Provided that all such operations shall be notified in the Official Gazette and may be undertaken for a period not exceeding ten years given in such notification.

(3) On expiry of the period given in the notification under subsection (2) or such earlier period as may be notified by the State Government, the area shall be deemed to be available for grant of mineral concessions;

Provided that before expiry of such period, the State Government may by notification sequester for a period not exceeding five years all or any portion of the land specified in the notification under subsection (2), for grant of mining

lease under section 13 of this Act and no application for grant of any concession shall lie, except in terms of section 13 of the Act.

Provided further that the State Government may for reasons to be recorded extend the period of sequestration for a period not exceeding five years.

(4) No Licence or Lease shall be granted except on application alongwith earnest money to the State Government, in such form and manner as may be prescribed

Explanation: In case applications are received for grant of mineral concession in respect of major as well as minor minerals for the same area, the applications shall be considered for all the minerals in accordance with the provisions of the Act applicable to major minerals.

(5) No person shall transport or store, or cause to be transported or stored, any minerals other than in accordance with the provisions of this Act and Rules made thereunder

## **5. Eligibility for grant of Concessions**

(1) No person shall be eligible for grant of a Reconnaissance Licence, Prospecting Licence or Mining Lease unless such person is an Indian National or a Company as defined in Sub-Section (1) of Section 3 of the Companies Act, 1956.

*Explanation:-* For the purposes of this Sub-Section, a person shall be deemed to be an Indian National:-

(a) in the case of a firm or other association of individuals, only if all the members of the firm or members of the association are citizens of India; and

- (b) in the case of an individual, only if he is a citizen of India.
- (2) No person shall be eligible for grant of a Reconnaissance Licence, Prospecting Licence or Mining Lease if he is in breach of any of the provisions of this Act or Rules made thereunder which renders him ineligible.

**6. Maximum and Minimum area of Concessions:**

- (1) The maximum area which can be held at any given time by a person in respect of any mineral or prescribed group of associated minerals in a State shall be:-
- (a) 10,000 square kilometers in respect of Reconnaissance Licences.
  - (b) 5,000 square kilometers in respect of Large Area Prospecting Licences.
  - (c) 500 square kilometers in respect of Prospecting Licences; and
  - (d) 100 square kilometers in respect of Mining Leases.

Provided that in respect of Iron ore the maximum area for grant of mining lease under this section shall not exceed 25 square kilometers.

Provided further that a Large Area Prospecting Licence shall be granted only for such groups of associated minerals as may be prescribed, and on such general conditions regarding use of advanced technologies and methodologies as may be notified from time to time by the Central Government.

- (2) In respect of major minerals, the minimum area for grant of:-
- (a) a prospecting licence shall be 10 square kilometers; and
  - (b) a Mining Lease shall be 0.1 square kilometers (10 hectares).
- (3) In respect of minor minerals the minimum area for grant of:-
- (a) a prospecting licence shall be 1 square kilometers; and
  - (b) a Mining Lease shall be 0.04 square kilometers (4 hectares).

- (4) The holder of a Reconnaissance Licence, Large Area Prospecting Licence, and prospecting licence shall progressively surrender area out of his licence annually in such manner that an approximately equal area is surrendered at the end of each year and at the end of the last year of the Reconnaissance Licence, the area held does not exceed the maximum eligibility of the Licence holder for a Prospecting Licence and at the end of the last year of the Large Area Prospecting Licence or Prospecting Licence, the area held does not exceed the maximum eligibility of the Licencee for a Mining Lease.
- (5) No Mining Lease shall be given in respect of any area which is not compact and contiguous or otherwise not amenable to scientific development.
- Provided that in respect of small deposits not amenable to mining, a mining lease may be granted for a cluster of such deposits within a defined area of not less than 0.1 square kilometer to such category of person as may be prescribed and subject to such prescribed conditions regarding scientific mining as may be necessary in the circumstances.
- (6) Any Rules prescribed by the State Governments for minor minerals shall be in accordance with the provisions of sub sections (1) to (4).

*Explanation:* For purposes of this section, the area held by a person as a shareholder of a cooperative society, company or other corporation and a Hindu Undivided Family and a partner of a firm or as an individual shall be jointly computed.

**7. Period of Grant and extension of a Concession:**

- (1) A Reconnaissance Licence shall be granted for a period of not less than one year and not more than three years and may be extended on

application by the licensee in respect of such part of the area as may be specified, for a period not exceeding one year.

- (2) A Large Area Prospecting Licence shall be granted for a period of not less than three years and not more than six years and may be extended on application by the licensee in respect of such part of the area as may be specified, for a period not exceeding two years.
- (3) A Prospecting Licence shall be granted for a period of not less than two years and not more than three years and may be extended on application by the licensee in respect of such part of the area as may be specified, for such period that the sum total of the time granted to the licensee and his predecessor-in-interest for reconnaissance, prospecting, general exploration and detailed exploration does not exceed eight years.
- (4) A Mining Lease for major minerals shall be granted for a period of not less than twenty years and not more than thirty years.
- (5) A mining lease for minor minerals shall be granted for a period not less than three years and not more than ten years.
- (6) A mining lease may be extended on application by the lessee in respect of such part of the area as may be specified, for such period not exceeding twenty years in case of a major mineral and five years in case of a minor mineral, as may be required to ensure full exploitation of the run-of-the-mine in a scientific manner.

Provided that no such extension shall be granted except after approval by the Indian Bureau of Mines in case of major minerals and the State Directorate in the case of minor minerals and after approval of a fresh Mining Plan for the area specified.

Provided further that where more than one mineral is found in any area and leases have been granted for exploring two or more minerals, the period of lease of all minerals shall be coterminous with that for which the first lease was originally granted.



Provided also that in the interest of mineral development and for reasons to be recorded in writing, amalgamation of two or more adjoining leases held by a lessee may be approved by the authority competent to grant the lease and the period of the amalgamated leases shall be coterminous with the lease whose period will expire first.

## **8. Grant and extension of Concessions:**

In respect of any land in which the minerals vest in the Government:-

- (1) The State Government shall grant and extend Reconnaissance Licences, Prospecting Licences and Mining Leases in accordance with the provisions of this Act and Rules made thereunder.

Provided that Reconnaissance Licences, Prospecting Licences and Mining Leases in respect of Coal Minerals and Atomic Minerals shall be granted and extended only with the previous approval of the Central Government.

- (2) A Reconnaissance Licence, prospecting licence or mining lease for Coal minerals shall be granted by the State Government only to a company selected by the Central Government on such terms and conditions as may be prescribed, through competitive bidding and auction in such manner as may be prescribed.

Provided that the sub-section (2) shall not be applicable for grant of mineral concession:

- (a) to a Government company or corporation for mining or such other specified end use;
- (b) to a company or corporation that has been awarded a power project (including Ultra Mega Power Project) on the basis of competitive bids for tariff.

- (3) Grant of Reconnaissance Licences, Prospecting Licence and Mining Leases in respect of any mineral underlying the ocean within the territorial waters or the continental shelf of India shall be granted only by the Central Government.

**9. Prospecting Licence and Mining Lease of other Minerals:**

- (1) A Large Area Prospecting Licence, Prospecting Licence or a Mining Lease may be granted under the provisions of this Act in an area covered by a Reconnaissance Licence, in respect of any mineral not included in the Reconnaissance Licence.
- (2) A Reconnaissance Licence holder who applies for a prospecting licence under this Act shall be entitled, on grant of such licence, to get such areas vacated as may be given on prospecting licence or mining lease under Sub-Section (1) in respect of other minerals.

Provided that a person holding a Large Area Prospecting Licence shall not be required to vacate the area.

**10. Special provision in respect of Atomic Minerals:**

- (1) Notwithstanding anything contained in the Act, the holder of a prospecting licence or mining lease for a mineral other than a minor mineral shall be free to undertake prospecting/mining operations also in respect of atomic minerals in the area held by him on the conditions that :
  - (a) if in the course of prospecting or mining operations, he discovers any atomic mineral, he shall within sixty days from the date of discovery of such minerals report the fact

of such discovery to the Atomic Minerals Directorate, the Geological Survey of India, the Indian Bureau of Mines and the State Directorate or the State in which the prospecting or mining operations are carried on.

- (b) the quantities of atomic minerals recovered incidental to such prospecting or mining operations shall be collected and stacked separately and a report to that effect sent to the Atomic Minerals Directorate every three months for such further action by the licensee or lessee as may be directed by the Atomic Minerals Directorate .
- (2) The licensee or lessee referred to in sub-section (1) shall, within the period referred to therein, apply to the Secretary, Department of Atomic Energy, Mumbai, through the State Government, for grant of a licence to handle the said atomic minerals under the provisions of the Atomic Energy Act, 1962 (33 of 1962); and on obtaining such licence shall be free to remove and dispose off the atomic mineral on payment of the prescribed royalty to the State Government.

Provided that if in the opinion of the Department of Atomic Energy the atomic mineral recovered incidentally to such prospecting or mining operations is not of economically exploitable grade or the quantity found is insignificant, it shall not be necessary to obtain a separate licence or lease under this Act and Rules thereunder for the atomic minerals.

#### **11. Concession to be void if in contravention of Act:**

Any reconnaissance Licence, prospecting licence or mining lease granted, extended or acquired in contravention of the provisions of this Act or any rules or orders made thereunder shall be void and of no effect.

*Explanation:-* Where a person has acquired more than one reconnaissance Licence, prospecting licence or mining lease and the aggregate area covered by such licences or leases, as the case may be, exceeds the maximum area permissible under Section 6, only that reconnaissance Licence, prospecting licence or mining lease the acquisition of which has resulted in such maximum area being exceeded shall be deemed to be void.

**12. Cancellation of a concession or disqualification:**

- (1) Where any person fails to conduct reconnaissance or prospecting or mining operations in accordance with a Reconnaissance, or Prospecting or Mining Plan, as the case may be, prepared in such manner as is hereinafter provided, the State Government may after asking him to show cause and affording him due opportunity forfeit all or any part of the security deposit and also, or in the alternative, suspend, curtail or revoke the licence or lease having regard to the circumstances of the case. Without prejudice to the foregoing the State Government may also declare him to be in breach of the conditions of such licence or lease and, therefore, ineligible for consideration in terms of Sub-Section (3) of Section 20 or Sub-Section (3) of Section 22 or Sub-Section (3) of Section 23 as the case may be, for such period as may be specified, having regard to the nature of the breach.
- (2) Where at the expiry of a reconnaissance Licence or prospecting licence (including period of extension if any) the Licence fails adhere to the conditions of the licence, the State Government may, within a period of six months, issue a notice asking him to show cause, and after affording him an opportunity, forfeit all or any part of the security deposit and/or declare him to be in breach of the conditions of such Licence and, therefore, ineligible for consideration in terms of Sub-Section (3) of Section 20 or Sub-Section (3) of Section 22 or Sub-Section (3) of Section

23 as the case may be for such period as may be specified, having regard to the nature of the breach.

- (3) In respect of any major mineral, no order other than on issues of fact, shall be made by the State Government under sub-section (1) or sub-section (2), except in consultation with the Indian Bureau of Mines.

Provided that where the concession relates to land where the minerals vest with a private person, the State Government may issue a direction to him to suspend, curtail or revoke the concession in accordance with the terms and conditions thereof only after giving the concession holder an opportunity of being heard.

### **13. Notification of certain areas for grant of concessions:**

In respect of any land where the minerals vest in the Government:-

- (1) The State Government may by notification in the Official Gazette and in the Official Website in such manner as may be prescribed, invite applications for grant of a prospecting licence over any area where reconnaissance has been conducted and sufficient evidence of enhanced mineralization has been established, but no application for a prospecting licence is pending.

Provided that no such notification shall be issued in respect of an area in which reconnaissance or prospecting operations was completed under a licence less than six months earlier.

Provided further that before issuing the notification in respect of any forest area, the State Government shall obtain all clearances necessary to enable the conduct of prospecting operations.

- (2) The State Government may by notification in the Official Gazette and in the Official Website in such manner as may be prescribed, invite applications for grant of a mining lease through competitive bidding and auction in any area where prospecting has been conducted and sufficient evidence of enhanced mineralization has been established, but no application for a mining lease is pending.

Provided that no such notification shall be issued in respect of an area in which prospecting operations was completed under a licence less than six months earlier.

Provided further that before issuing the notification in respect of any forest area, the State Government shall obtain all clearances necessary to enable the conduct of mining operations.

- (3) A notification under Sub-Section (1) or Sub-Section (2) shall be for such period as may specified, which shall not be less than 90 days or more than 180 days.
- (4) Applications for a prospecting licence received in accordance with the conditions of the notification issued under Sub-Section (1) shall be considered with reference to:
- (a) specific knowledge and experience of prospecting possessed by the applicant; and
  - (b) nature and quality of technical resources proposed to be employed;
- and the most suitable applicant shall be granted the concession for detailed reasons to be recorded and communicated to all applicants.

Provided that in case the notification under sub-section (1) so specified, the State Government may prepare a short list of pre-qualified applicants

on the basis of the criteria given in sub-section (4) and after inviting bids, award the concession to the highest bidder.

- (5) Applications for a mining lease received in accordance with the conditions of the notification under Sub-Section (2) will be considered in accordance with the prescribed procedure that includes evaluation of bids , and the Mining Lease shall be awarded to the highest bidder who qualifies in accordance with procedures as may be prescribed.

Provided that the State Government, having regard to the nature of the mineral and the area of its occurrence, may invite bids from only such applicants who:-

- (a) possess special knowledge and appropriate experience in scientific mining and mineral beneficiation; and
- (b) will bring in new and advanced technologies;

Provided further that the bidding process may give appropriate weightage to the investment on account of:-

- (a) value addition such as mineral processing and beneficiation;
- (b) end use including industries based on the mineral; and,
- (c) construction of transportation network (road and rail) and other infrastructure facilities in the mineral bearing area.

Provided also that the procedure may require the lessee to pay all or any part of the cost of the prospecting operations, the data for which was made available to prospective bidders.

- (6) In respect of Coal minerals and Atomic Minerals, notification inviting applications and bids and grant of the concession shall be made with the prior approval of the Central Government.

#### **14. Time limit for disposal of applications:**

In respect of any lands where the minerals vest in the Government:-

- (1) The State Government shall dispose of the applications for grant of reconnaissance Licence, prospecting license or mining lease within the following period:
  - (a) Reconnaissance Licence – within three months from the date of receipt of the application for reconnaissance Licence.
  - (b) Large Area Prospecting Licence and Prospecting License-within six months from the date of receipt of the application for prospecting license.
  - (c) Mining Lease-within twelve months from the date of receipt of the application for mining lease:

*Explanation:-* Where applications are received in response to a notification the time period for disposal shall be reckoned from the last date notified for receipt of applications.

- (2) In any matter requiring the prior approval of the Central Government, the matter shall be disposed of by such Government within three months.
- (3) Where any application is deficient in information or documentation the State Government shall by notice issued within thirty days of receipt of the application, require the applicant to supply the omission within such period as may be specified having regard to the nature of the document or information, but not being a period of less than ten days and not more than thirty days.
- (4) Where an applicant for mineral concession fails to furnish documents and material information as required under sub-section (3) for processing the application, the State Government shall after asking him to show cause



and affording him due opportunity forfeit earnest money and reject his application for grant of mineral concession.

- (5) Where an application is not disposed off within the limit specified in sub-section (1) of sub-section (2), the applicant shall have the right to apply to the National Mining Administrative Tribunal in the case of major minerals and the State Mining Administrative Tribunal in case of minor minerals, for a direction to the Central Government or State Government as the case may be respectively, to dispose off the application within such reasonable period as may be specified.

**15. Rights of a holder of reconnaissance Licence, prospecting licence or mining lease:**

On the issue of a reconnaissance Licence, prospecting licence or mining lease under this Act, it shall be lawful for the holder of such licence or lease, his agents or his servants or workmen to enter the lands over which such Licence or lease had been granted at all times during its currency and carry out all such reconnaissance, prospecting or mining operations as may have been permitted.

Provided that no person shall enter into any building or upon an enclosed court or garden attached to a dwelling-house (except with the consent of the occupier thereof) without previously giving such occupier at least seven days notice in writing of his intention to do so.

**16. Act and rules to apply to all extension of concessions:**

The provisions of this Act and rules made thereunder shall apply in relation to the extension after the commencement of this Act of any reconnaissance Licence prospecting licence or mining lease granted before

such commencement as they apply in relation to the extension of a reconnaissance Licence, prospecting licence or mining lease granted after such commencement.

**17. Transfer of Reconnaissance Licence and Prospecting Licences:**

- (1) A holder of a reconnaissance Licence, large area prospecting licence or prospecting licence may, except in the case of Atomic Minerals and Coal Minerals, transfer his licence to any person eligible to hold such licence under the provisions of the Act and Rules made thereunder after expiry of a notice of not less than 30 days to the State Government concerned.

Provided that no such transfer shall take place if within the period of 30 days the State Government, for reasons to be communicated in writing, disapproves of the transfer on the grounds that the transfer is to a person not eligible under the Act.

- (2) A Reconnaissance Licence or large area prospecting licence or prospecting licence in respect of Atomic Minerals and Coal Minerals shall be transferred only with the prior approval of the Central Government.
- (3) On transfer of the licence, all rights and liabilities under the licence shall be transferred to the successor-in-interest.

Provided that the original Licencee shall intimate to the State Government the consideration payable or paid by the successor-in-interest for the transfer, including the consideration in respect of the reconnaissance or prospecting operations already undertaken and the Reports and data generated during the operations.

- (4) Nothing in the preceding Sub-Section shall be deemed to prohibit a licensee from transferring his rights and liabilities after the expiry of the concession period to a person eligible under the Act.

*Explanation:-* On transfer of rights and liabilities, the successor-in-interest will be entitled to consideration in terms of Sub-Section (7) of Section 23 or Section 26 as the case may be as if he were the original holder of the concession, if the transfer takes place within the period of eligibility for consideration under the sub-section.

- (5) The State Government may charge fees for transfer of the concession as may be prescribed by the Central Government.
- (6) Nothing in this Section shall be deemed to enable a holder of a reconnaissance licence or prospecting licence in respect of land where the minerals vest in a private person to transfer such licence other than in accordance with the terms and conditions of the concession agreement in regard to the consent of such person.

#### **18. Transfer of a Mining Leases:**

- (1) The holder of a Mining Lease shall not, without the previous approval in writing of the State Government, and in case of Atomic Minerals and Coal Minerals, the previous approval in writing of the Central Government:-
- (a) assign, sublet, mortgage, or in any other manner, transfer the mining lease, or any right, title or interest therein; or
- (b) enter into or make any arrangement, contract, or understanding whereby the lessee will or may be directly or indirectly financed to a substantial extent by, or under which the lessee's operations or

undertakings will or may be substantially controlled by, any person or body of persons other than the lessee:

Provided further that where the mortgagee is an institution or a Bank or a Corporation notified by the Central Government under this Act, it shall not be necessary for the lessee to obtain any such consent of the State Government.

- (2) The State Government or the Central Government, as the case may be shall not give its consent to transfer of a mining lease unless the transferee has accepted all the conditions, representatives and liabilities to which the transferor was having subject in respect of such mining lease under any law for the time being in force.
- (3) No transfer shall be made to a person not eligible under this Act to hold the lease.
- (4) An application for transfer shall state:-
  - (a) the reason for the transfer; and
  - (b) the consideration for the transfer.

and such other particulars as may prescribed.

- (5) No transfer that may lead to fragmentation or unscientific mining or is not in the interest of mineral development or is against the national interest shall be permitted.
- (6) Where the lease is in respect of land where the minerals vest in a private person, no transfer shall be permitted except in accordance with the terms and conditions of the concession agreement in regard to the consent of such person.

- (7) The State Government may charge fees for the transfer of the Mining Lease as may be prescribed by the Central Government.

### Chapter-III : RECONNAISSANCE LICENCE

#### 19. Conditions of a Reconnaissance Licence:

- (1) In respect of every reconnaissance Licence granted under this Act and Rules thereunder shall, the licence holder shall:
  - (a) progressively relinquish the area granted under the Licence as shall be specified in accordance with the provisions of the Act.
  - (b) file a Reconnaissance Plan in a manner as may be prescribed, indicating the manner in which he proposes to carry out reconnaissance operations in the area covered by the Licence and in particular: -
    - (i) particulars of the area such as aerial extent, in terms of latitude and longitude;
    - (ii) the scale of the plan and the area of geological mapping;
    - (iii) the particulars of the machines and instruments to be used, and the nature of the data proposed to be collected;
    - (iv) the plan of operation; and
    - (iv) the detailed schedule of expenditure on the operations.
  - (c) make available all data collected by him including all the aerial, photo-geological, geophysical, geochemical and such other data collected by him to the Geological Survey of India and the State Directorate in such manner and with such periodicity as may be prescribed.

- (d) In case radiometric instruments are used, make available all radiometric data available to the Atomic Minerals Directorate.
- (e) maintain accurate and faithful account of all the expenses incurred by him on the reconnaissance operations.
- (f) submit Reports to the Geological Survey of India, Indian Bureau of Mines, and the State Directorate in such manner and with such periodicity as may be prescribed. While submitting reports, the Licence holder may specify that the whole or any part of the report or data submitted by him shall be kept confidential; and the Geological Survey of India, Indian Bureau of Mines, and the State Directorate shall thereupon, keep the specified portions as confidential for a period of two years from the expiry of the Licence, or abandonment of operations or termination of the Licence, whichever is earlier.
- (g) allow every officer authorized by the Central Government or the State Directorate in this behalf to examine at any time the accounts maintained.
- (h) furnish to the Geological Survey of India, Indian Bureau of Mines and the State Directorate such information and returns as may be required in relation to reconnaissance operations.
- (i) allow any officer authorized by the Geological Survey of India or the State Directorate in this behalf to inspect any reconnaissance operations carried on by him.
- (j) pay to the State Directorate in respect of land in which minerals vest in the Government, and to the person in whom the minerals

vests in other cases, a Licence fee as may be prescribed, being not less than fifty rupees per square kilometer per year and not more than five hundred rupees per square kilometer year or part thereof.

- (k) comply with such other condition as may be prescribed through Rules made under this Act.
- (2) The reconnaissance Licence may contain such other conditions as may be imposed in the interest of public safety or national security by the Central Government which inter-alia may include the condition that a representative of the Directorate General, Civil Aviation or Ministry of Defence shall be present during the aerial surveys.
- (3) The Licence holder shall before starting operations, deposit as security an amount equal to the Licence fee levied for the first year and in case of breach of any condition imposed on a holder of a reconnaissance Licence by or under this Act, the State Government may by order in writing, suspend, curtail or revoke the Licence, and may in addition or in the alternative forfeit in whole or in part, the amount deposited by the Licence holder as security.

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

Provided also that in case of land in which the minerals vest in a person other than the Government, the State Government shall afford such person an opportunity of being heard and may issue directions to him to suspend, curtail or revoke the concession in accordance with the terms and conditions thereof.



**20. Procedure for grant of Reconnaissance Licence:**

- (1) An application for grant of a reconnaissance Licence in respect of any land in which the minerals vest in the Government shall be made to the State Government concerned in the manner alongwith earnest money, as prescribed.
- (2) The State Government shall acknowledge receipt of the application and shall register the application in such manner as may be prescribed.
- (3) The State Government shall grant the Reconnaissance Licence to every applicant who is eligible in terms of this Act and the Rules made thereunder.
- (4) The fees for the licence and the security deposit shall be as may be prescribed
- (5) In all cases where the State Government refuses an application, it shall communicate the reasons therefor.

Provided that no application shall be refused

- (a) without giving the applicant an opportunity to be heard;  
and
  - (b) on grounds of incompleteness of material particulars;
  - (c) without first requiring the applicant to supply the requisite documents or information.
- (6) The grant of Reconnaissance Licences shall be notified in the Official Gazette and in the Official Websites in such manner as may be prescribed.

## Chapter-IV : PROSPECTING LICENCE

### 21. Conditions of a Prospecting Licence:

- (1) In respect of every prospecting licence granted under the Act and Rules thereunder, the licence holder shall:
  - (a) shall progressively relinquish the area granted under the licence as shall be specified in accordance with the provisions of the Act.
  - (b) prepare and file a Prospecting Plan with the Indian Bureau of Mines in respect of major minerals and the State Directorate in the case of minor minerals, in a manner as may be prescribed, indicating the manner in which he proposes to carry out the prospecting operations, in the area covered by the licence and in particular:
    - (i) particulars of the area being prospected;
    - (ii) the scale of the plan and the area of geological mapping;
    - (iii) the number of pits, trenches, and bore holes which he proposes to put in the area;
    - (iv) the particulars of the machines to be used;
    - (v) the details of exploratory mining [if any, proposed] to be undertaken;
    - (vi) the number of samples proposed to be drawn and analysed;
    - (vii) the beneficiation studies proposed to be undertaken;
    - (viii) baseline information of prevailing environmental conditions before the beginning of prospecting operations;

- (ix) steps proposed to be taken for protection of environment which will include prevention and control of air and water pollution, progressive reclamation and rehabilitation of the land disturbed by the prospecting operations, a scheme for the plantation of trees, restoration of local flora and water regimes and such other measures, as may be directed from time to time by the Indian Bureau of Mines or the State Directorate as the case may be for minimising the adverse effect of prospecting operations on the environment.
  - (x) the year wise expenditure to be incurred on the operations;
  - (xi) any other matter relevant for scientific prospecting, as directed by the Indian Bureau of Mines or the State Directorate as the case may be from time to time by a general or specific order.
- (c) carry out prospecting operations in accordance with the prospecting plan submitted by him, with such modifications, if any, as directed by the Indian Bureau of Mines or the State Directorate as the case may be.

Provided that where the licensee proposes to conduct prospecting operations in a manner at variance with the plan already intimated, he shall prepare and file a revised or supplementary prospecting plan in such manner as may be prescribed.

- (d) make available all data collected by him during prospecting operations to the Indian Bureau of Mines and the State Directorate in such manner as may be prescribed.

- (e) Without prejudice to the generality of this provision, the licensee shall furnish in such manner and such periodicity as may be prescribed:-
- (i) all geological, geophysical and geochemical data and ground water survey data collected by him during the course of prospecting or mining operations to the Indian Bureau of Mines and the State Directorate .
  - (ii) all information pertaining to investigations of atomic minerals collected by him during the course of prospecting operations to the Atomic Minerals Directorate, Indian Bureau of Mines and to the State Directorate.
- (f) maintain complete and faithful accounts of all the expenses incurred by him during the prospecting operations.
- (g) submit a Report on progress of operations under the Prospecting Plan to the Indian Bureau of Mines and the State Directorate in such manner and with such periodicity as may be prescribed.
- (h) pay to the Government in respect of any land in which the minerals vest with it, and to the person in whom the minerals vest in other case such prospecting fee as may be prescribed being not less than rupees fifty and not more than rupees five hundred per hectare of land covered by the licence for each year or part of a year of the period for which the licence is granted or extended.
- (i) within six months next after the determination of the licence or the date of abandonment of the prospecting operations, whichever is earlier, securely plug all bores and fill up or fence all excavations in the land covered by the licence; provided if in any part of the area the licensee acquires a mining lease within this period he may

carry out only such amount of the work as is consistent with mining operations.

- (j) report to the State Directorate in case the minerals vest in the Government, the discovery of any mineral not specified in the licence within a period of sixty days from the date of such discovery. Consequent upon such reporting, such newly discovered minerals shall be deemed to have been included in the prospecting licence.
  - (k) take immediate measures in such manner as may be prescribed:
    - (i) for planting and maintenance for the period of the licence, in the same area or any other area selected by the Central or State Government not less than ten the number of trees destroyed by reasons of any prospecting operations; and
    - (ii) to restore, as far as possible and at least to the extent given in the Prospecting Plan, the areas in which prospecting operations have been conducted, including replacement of soil cover, removal of contaminants and pollutants introduced during prospecting operations, restoration of local flora and water regimes in such manner as may be prescribed.
  - (l) pay to the occupier of the surface of the land such compensation as may be prescribed.
  - (m) comply with such other conditions as may be prescribed through Rules made under this Act.
- (2) A prospecting licence may contain such other conditions relating to the following as the State Government may think 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 claims of a third party for any damage, injury or disturbance caused to him by the licensee;
  - (c) restrictions regarding felling of trees on occupied and unreserved Government land;
  - (d) restrictions on prospecting operations in any area prohibited by any competent authority;
  - (e) operations in a reserved or protected forest;
  - (f) regarding entry on occupied land;
  - (g) facilities to be given by the licensee for working other minerals in the licenced area or adjacent areas; and
  - (h) filing of civil suits or petitions relating to disputes arising out of the area under prospecting licence.
- (3) Before grant of a prospecting licence, the applicant shall deposit as security a sum of rupees five thousand per square kilometer or part thereof for which the licence is granted. In the case of breach of any condition imposed on any holder of a prospecting licence by or under this Act, the State Government may, by order in writing, suspend, curtail or revoke cancel the licence and in addition or in the alternative, forfeit in whole or part, the amount deposited by the licensee.

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

Provided further that in case of land in which the minerals vest in a person other than the Government, the State Government shall afford such person an opportunity of being heard and may issue directions to him to suspend, curtail or revoke the concession in accordance with the terms and conditions thereof.

**22. Procedure for Grant of a Large Area Prospecting Licence:**

- (1) An application for grant of a Large Area Prospecting Licence in respect of any land in which the minerals vest in the Government shall be made to the State Government concerned in such manner alongwith earnest money, as may be prescribed.
- (2) The State Government shall acknowledge receipt of the application and shall register the application in such manner as may be prescribed.
- (3) The State Government shall consider only such applications as are eligible in terms of the Act and shall refuse all ineligible applications. Except in the case of applications received in response to a notification under Section 13 of this Act, an application received later shall not be considered till disposal of all applications received earlier and communication to the applicants of the reasons of the disposal.
- (4) Except in the case of applications received in response to a notification under Section 13 of this Act, the State Government shall grant the Large Area Prospecting Licence to the first applicant eligible under this Act and Rules made thereunder and all other applicants shall be deemed to have been refused.
- (5) In all cases where the State Government refuses an application and proceeds to consider a subsequent application, it shall first communicate the reason therefor;

Provided that no such refusal shall be made:-

- (a) without giving the applicant an opportunity to be heard; and
  - (b) on grounds of incompleteness of material particulars, without first requiring the applicant to first supply the requisite documents or information.
- (6) Details of the grant of the Licence shall be notified in the Official Gazette and in the Official Websites in such manner as may be prescribed.

**23. Procedure for Grant of Prospecting Licence:**

- (1) Applications for grant of a Prospecting Licence in respect of any land in which minerals vest in the Government shall be made to the State Government concerned in such manner alongwith earnest money, as may be prescribed.
- (2) The State Government shall acknowledge all applications received and shall cause them to be registered in such manner as may be prescribed.
- (3) The State Government shall consider only such applications as are eligible in terms of this Act and shall refuse all ineligible applications. Except in the case of applications received in response to a notification under Section 13 of this Act, and subject to the provisions of Sub-Section (6), an application received later in respect of an area shall not be considered till disposal of all applications received earlier and communication to the applicants of the reason for the disposal.
- (4) Except in the case of applications received in response to a notification under Section 13 of this Act, and subject to the provisions of Sub-Section (6), the State Government shall grant the Prospecting Licence in respect of the land to the first applicant eligible under this Act and the Rules thereunder and all other applicants shall be deemed to have been refused.
- (5) In all cases where the State Government refuses an application and proceeds to consider a subsequent application, it shall first communicate the reason therefor; provided that no such refusal shall be made:-



- (a) without giving the applicant an opportunity to be heard;  
and
- (b) on grounds of incompleteness of material particulars,  
without first requiring the applicant to first supply the  
requisite documents or information.

Provided that an application for grant of a prospecting licence shall not be refused on the ground only that in the opinion of the State Government, the area is fit for grant of a mining lease.

Provided further that where applications for mining lease as well as prospecting licence are received in an area which was previously held and worked under a mining lease, applications for grant of mining lease shall be first disposed off in the manner hereinabove provided.

- (6) The application of a person eligible under this Act, made within six months of completion of reconnaissance operations under a reconnaissance Licence held by him or held by his predecessor-in-interest shall have preference over other applications notwithstanding anything in Sub-Section (3) and (4) to the contrary. Where there is more than one such application for the same land, the application received later shall not be considered till disposal of all applications received earlier and communication of reasons for the disposal, and the State Government shall grant the licence to the earliest applicant eligible for the licence.
- (7) Details of grant of the licence shall be notified in the Official Gazette and the Official Website in such manner as may be prescribed.

**24. Issue of notification where prospecting operations are to be undertaken by the Geological Survey of India etc.:**

- (1) Where a prospecting operation in respect of lands in which minerals vest in the Government is to be undertaken by the Geological Survey of India, the Indian Bureau of Mines, the Atomic Minerals Division of the Department of Atomic Energy of the Central Government, the State Directorate, or the Mineral Exploration Corporation Limited, the State

Government shall issue a notification in the official Gazette and Official Websites giving details of the area, and the period for which prospecting operations are to be undertaken.

Provided that such period shall not be for more than three years.

- (2) The State Government shall not entertain any application for grant of a any prospecting licence or mining lease to any person for an area or a part thereof in relation to which a notification has been issued under sub-rule (1), for period that the notification is in effect, and such applications shall be deemed not to have been made.
- (3) The State Government may revoke a notification issued under sub-rule (1), if the prospecting operations have been completed before the expiry of the period stated in the notification.

## **Chapter-V : MINING LEASE**

### **25. Conditions of a Mining Lease:**

- (1) Every mining lease shall be subject to the following conditions:
  - (a) All mining operations will be in accordance with a Mining Plan which shall be prepared in such manner as may be prescribed.
  - (b) Without prejudice to the generality of the provisions of this clause, the Mining Plan shall provide for:
    - (i) scientific methods of mining
    - (ii) mineral beneficiation
    - (iii) mining within a sustainable development framework, which addresses concerns of ecological balance and needs of host populations: and
    - (iv) high standards of safety in mines.
  - (c) the lessee shall report to the State Government the discovery in the leased area of any mineral not specified in the lease for which rights vest in the Government, within sixty days of such discovery;

- (d) if any mineral not specified in the lease is discovered in the leased area, the lessee shall not win and dispose of such mineral unless such mineral is included in the lease or a separate lease is obtained therefor ;
  
- (e) the lessee shall pay to the Government in case of land in which minerals vest in the Government and to the person in whom the minerals vest in other cases, for every year or part thereof, except the first year of the lease, yearly dead rent at the rate specified in Schedule III of the Act. If the lease Licences the working of more than one mineral in the same area, the State Government or the other person as the case may be shall not charge separate dead rent in respect of each mineral:  
  
Provided that the lessee shall be liable to pay the dead rent or royalty in respect of each mineral whichever be higher in amount but not both ;
  
- (f) 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, on the land, as may be prescribed by the State Government;
  
- (g) The lessee shall furnish in such manner and such periodicity as may be prescribed:-
  - (i) all geological. geochemical and geophysical and hydrological data relating to the leased area collected by him during the course of

operations to the Indian Bureau of Mines and the State Directorate.

- (ii) all information pertaining to investigations of atomic minerals collected by him during the course of mining operations to the Atomic Minerals Directorate and to the State Directorate.
- (h) the lessee shall commence mining operations within one year from the date of execution of the lease and shall thereafter conduct such operations in a scientific, 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 in connection with the working of the mine ;

- (i) the lessee shall, at his own expense, erect and at all times maintain and keep in good repair boundary marks and pillars necessary to indicate the demarcation shown in the plan annexed to the lease;
- (j) the lessee shall not carry on, or allow to be carried on, any mining operations at any point within a distance of fifty metres from any railway line, except under and in accordance with the 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 permission of the State Government ;

- (k) the lessee shall strengthen and support, to the satisfaction of the railway administration concerned or the State Government, as the case may be, any part of the mine which in its opinion requires such strengthening or support for the safety of any railway, reservoir, canal, roads or any other public works or buildings ;
- (l) the lessee shall keep accurate and faithful accounts showing the quantity and other particulars of all minerals obtained and dispatched from the mine, the number and nationality of the persons employed therein, and complete plans of the mine, and shall allow any officer authorized by the Central Government or the State Government in this behalf, by general or special order, 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 authorized by it in this behalf may require ;
- (m) the lessee shall keep in such manner and in respect of such matters as may be prescribed, accurate records of all trenches, pits and drillings made by him in the course of mining operations carried on by him under the lease, and shall allow any officer authorised by the Central or the State Government

in this behalf by general or special order to inspect the same.

- (n) the lessee shall allow any officer authorized by the Central or the State Government in this behalf by general or special order to enter upon any building, excavation or land comprised in the lease for the purpose of inspecting the same ;
- (o) the lessee shall carry on his operations in accordance with the approved Mining Plan and shall take immediate measures in such manner as may be prescribed,
  - (i) for planting and maintenance in the same area or any other area selected by the Central or State Government not less than ten times the number of trees destroyed by reasons of any mining operations ;
  - (ii) to restore, as far as possible and at least to the extent given in the Mining Plan, the areas in which, mining operations have been conducted, including replacement of soil cover, removal of contaminants and pollutants introduced during mining operations, restoration of local flora, and water regimes in such manner as may be prescribed.
- (p) the lessee shall pay to the occupier of the surface of the land such compensation as may be prescribed;

- (q) the lessee shall before commencing mining operations deposit with the State Government in case the minerals vest in the Government, an amount calculated at the rate of Rupees Ten thousand per hectare of the lease area for due observance of the terms and conditions of the lease.

Provided that the Central Government may from time to time, by notification, vary the rates at which such deposit is to be made.

Provided further that in case the mineral vests in a person other than the Government, such person shall require deposit of such sum not less than the rate specified above from the lessee.

- (r) comply with such other conditions as may be prescribed through Rules made under this Act.

- (2) If the lessee does not allow entry or inspection in respect of any matter covered by sub-section (1), the State Government shall give notice in writing to the lessee requiring him to show cause within such time as may be specified in the notice why the lease should not be determined and his security deposit forfeited; and if the lessee fails to show cause within the aforesaid time to the satisfaction of the State Government, in respect of land in which mineral vest in the Government, the State Government may determine the lease and forfeit the whole or part of the security deposit.

Provided that in respect of any land in which the minerals vest in a person other than the Government, the Government may, after



giving due opportunity to such person, direct that he determine the lease and forfeit the whole or part of the security deposit.

- (3) If the lessee makes any default in the payment of royalty as required under section 40 or payment of dead rent as required under Section 41 or cess as required under Section 43 or commits a breach of any of the conditions specified in sub-section (1), the State Government shall give notice to the lessee requiring him to pay the royalty or dead rent or cess 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 or cess is not paid or the breach is not remedied within the said period, the State Government in case the minerals vest in it, may without prejudice to any other proceedings that may be taken against him, determine the lease and forfeit the whole or part of the security deposit.

Provided that in respect of land where the minerals vest in a person other than the Government, the Government may after affording an opportunity to such person, direct that he determine the lease and forfeit the whole or part of the security deposit.

## **26. Procedure for Grant of Mining Lease:**

- (1) An application for grant of Mining Lease in respect of any land in which minerals vest in the Government shall be made to the State Government concerned in such manner, alongwith earnest money, as may be prescribed, and shall include a Prospecting Report showing promising enhanced mineral potential in that area of such standard as may be prescribed.

Without prejudice to the generality of the provisions of this Sub-Section, every such application shall include with it the written consent of the land owner and any person having occupation rights over the land.

- (2) The State Government shall acknowledge all applications received and cause them to be registered in such manner as may be prescribed.
- (3) The State Government shall consider only such applications as are eligible in terms of this Act and shall refuse all ineligible applications. Except in the case of applications received in response to a notification under Section 13 of this Act and subject to the provisions of Sub-Section (6), an application received later in respect of an area shall not be considered till disposal of all applications received earlier and communication of the applicants of the reason for the disposal.
- (4) Except in the case of applications received in response to a notification under Section 13 of this Act and subject to the provisions of Sub-Section (6), the State Government shall grant the Mining Lease in respect of the land to the first applicant eligible under this Act and the Rules thereunder and all other applicants shall be deemed to have been refused.
- (5) In all cases where the State Government refuses an application and proceeds to consider a subsequent application, it shall first communicate the reason therefor; provided that such refusal may be made:-
  - (a) without giving the applicant an opportunity to be heard; and
  - (b) on grounds of incompleteness of material particulars, without first requiring the applicant to first supply the requisite documents or information.
- (6) The application of a person eligible under this Act, made within six months of completion of operations under a Large area prospecting licence or prospecting licence held by him or held by his predecessor-in-interest shall be approved for grant of mining lease subject to eligibility and the fulfillment of conditions as prescribed and no other applications shall be entertained.

Provided that in case such application for mining is refused no other application shall be considered and the area will be notified for grant of concession under Section 13 of the Act.

- (7) Details of grant of the lease shall be notified in the Official Gazette and the Official Website in such manner as may be prescribed.

**27. Mining operations to be in accordance with Mining Plan:**

- (1) Mining operations shall be undertaken in accordance with a Mining Plan, prepared for the entire leased area in a manner as shall be prescribed. Without prejudice of the generality of these provisions, the Rules in this regard may provide for scientific methods of mining within a sustainable development framework, beneficiation and economic utilization and induction of technology to ensure extraction and utilization of the run of the mine.
- (2) On acceptance of application for a mining lease, and before the execution of the lease, the applicant shall cause to be prepared and approved in such manner as may be prescribed and approved, a Mining Plan for the leased area.
- (3) No mining plan shall be approved unless it is prepared by a qualified person empanelled in this behalf in the prescribed manner.
- (4) No person shall be empanelled for purposes of sub-rule (3) unless he
  - (a) is educationally qualified as a mining engineer or geologist;
  - (b) has the requisite experience; and
  - (c) meets such other requirements as may be prescribed in order to further the objective of scientific mining.
- (5) Except in the case of Coal minerals and Atomic Minerals, the Mining Plan for major minerals shall be approved by the Indian Bureau of Mines and

for minor minerals the plan shall be approved by the State Directorate, in the manner prescribed.

- (6) Any person aggrieved by the approval or refusal of a Mining Plan may apply to the Controller General, Indian Bureau of Mines, for reversal of such an order and the Controller General may confirm, modify or set aside the order or direction in respect of the Mining Plan.
- (7) In respect of Coal Minerals and Atomic Minerals, the provision of subsections (5) and (6) shall be applied *mutatis mutandis* by the Ministry of Coal and the Department of Atomic Energy of the Central Government respectively.
- (8) No person shall commence mining operations in any area except in accordance with a mining plan approved under the Act.
- (9) The Controller General or authorised officer of the Indian Bureau of Mines or the officer authorised in this behalf by the State Directorate, as the case may be, may require the holder of a mining lease to make such modifications in the mining plan or impose such conditions as he may consider necessary by an order in writing if such modifications or imposition of conditions are considered necessary-
  - (a) in the light of the experience of operation of mining plan; and
  - (b) in view of the change in the technological environment.

## **28. Rights of a Lessee:**

The lessee with respect to the land leased to him shall have the right for the purpose of mining operations on the land and in the manner prescribed, to:-

- (a) work the mines ;

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

**29. Extension of mining lease:**

- (1) An application for the extension of a mining lease shall be made to the State Government through such officer or authority as the State Government may specify in this behalf, or the person in whom the minerals vest as the case may be, at least twelve months before the date on which the lease is due to expire.
- (2) The extension of a lease which was granted with, or would require, the prior approval of the Central Government for grant, shall be extended with the prior approval of the Central Government.

Provided that before granting approval for second or subsequent extension of a mining lease, in respect of land in which minerals vest in the Government, the State Government shall seek a report from the Indian Bureau of Mines in respect of major minerals and the State Directorate in the case of minor minerals, as to whether it would be in the interest of mineral development to grant the extension of the mining lease.

Provided further that in case a report is not received from the Indian Bureau of Mines in a period of three months of receipt of the communication from the State Government, it would be deemed that the

Indian Bureau of Mines has no adverse comments to offer regarding the grant of the extension of the mining lease.

- (3) If an application for the extension of a mining lease made within the time referred to in sub-rule (1) is not disposed of by the State Government before the date of expiry of the lease, the period of the lease shall be deemed to have been extended by a further period of 12 months at a time till the State Government passes order thereon or the person in whom the minerals vest communicates his approval or rejection of the application as the case may be.
- (4) The State Government may condone the delay in an application for renewal of mining lease made after the time limit prescribed in sub-rule (1) provided the application has been made before the expiry of the lease.

**30. Lapsing of leases and revival:**

- (1) In respect of land in which the minerals vest in the Government, subject to other conditions of this section, where mining operations are not commenced within a period of two years from the date of execution of the lease, or is discontinued for a continuous period of two years after commencement of such operations, the State Government may after asking the lease holder to show cause and affording him due opportunity forfeit all or any part of the security deposit and also, or in the alternative, suspend, curtail or lapse the lease having regard to the circumstances of the case and the State Government shall, by an order, communicate a declaration to this effect to the lessee. Without prejudice to the foregoing the State Government may also declare him to be in breach of the conditions of such licence or lease and, therefore, ineligible for consideration in terms of Sub-Section (3) of Section 20 or Sub-Section (3) of Section 22 or Sub-Section (3) of Section 23 as the case may be, for such period as may be specified, having regard to the nature of the breach.

- (2) A lessee who is unable to commence the mining operation within a period of two years from the date of execution of the mining lease, or discontinues mining operations for a period exceeding two years for reasons beyond his control, may seek extension of period and the State Government on being satisfied about the adequacy and genuineness of the reasons for the non-commencement of mining operations or discontinuance thereof, pass an order before the date on which the lease would have otherwise lapsed, extending or refusing to extend the period of the lease :

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

- (3) A lessee who is unable to commence the mining operations within a period of two years from the date of execution of the mining lease, or discontinues mining operations for a period of exceeding two years for reasons beyond his control, may within six months from the date of its lapse, seek revival of the lease and the State Government on being satisfied about the adequacy and genuineness of the reasons for non-commencement of mining operations or discontinuance, may pass an order reviving the lease;

Provided that the lease has not been revived earlier under this provision for more than twice during the entire period of the lease.

- (4) The procedures in respect of matters given in Sub-Section (2) and (3) may be as prescribed.

**31. Determination of lease:**

- (1) The lessee shall not determine the lease except after notice in writing of not less than twelve calendar months to the State Government or to such officer, or authority as the State Government may specify in this behalf in respect of land in which minerals vest with the Government and to the person in whom the minerals vest in other cases, in accordance with the terms and conditions of the concession.

Provided that where a lessee holding a mining lease for a mineral or for a group of minerals applies for the surrender of the lease or any mineral from the lease on the ground that deposits of that mineral have since exhausted or depleted to such an extent that it is no longer economical to work the mineral, the State Government or the person in whom the minerals vest as the case may be may permit the lessee to surrender that mineral, subject to conditions as may be prescribed.

- (2) In respect of any land in which the minerals vest in the Government in the event of breach of any of the conditions of the lease, the State Government may, in the manner prescribed, determine the lease and, or in the alternative, forfeit in whole or in part, the amount deposited as security by the lessee.

**32. Premature termination of lease:**

- (1) Where the State Government is of the opinion that it is in the urgent public interest or in the interest of public safety to do, it may make an order of premature termination of the mining lease in case the minerals vest in the Government, and issue a direction to this effect to the person in whom the minerals vest in other cases to prematurely determine the lease.



- (2) No order of premature termination of a mining lease shall be made without giving reasonable opportunity to the lessee of being heard.

**33. Mine Closure Plan:**

- (1) Every mine shall have a Mine Closure Plan, which shall consist of:-
  - (i) a progressive mine closure plan; and
  - (ii) a final mine closure plan.

and which will be prepared by such manner as may be prescribed.

- (2) The owner, agent, manager or mining engineer shall, in case of grant or extension of a mining lease, submit a progressive mine closure plan along with the Mining plan to the Indian Bureau of Mines in case of major minerals and the State Directorate in the case of minor minerals.
- (3) The owner, agent, manager or mining engineer shall review the progressive mine closure plan every five years from the date of its approval in case of existing mine or from the date of opening of the mine in case of fresh grant or from the date of extension of mining lease, as the case may be, and shall submit to the Indian Bureau of Mines or the State Directorate in this behalf, as the case may be, for its approval. A copy of the progressive mine closure plan shall be sent simultaneously to the Panchayats having jurisdiction.
- (4) The Indian Bureau of Mines or the State Directorate in this behalf, as the case may be, after giving the Panchayats concerned due opportunity, shall convey his approval or refusal of the progressive mine closure plan within ninety days of the date of its receipt.

Provided further that if approval or refusal of the progressive mine closure plan is not conveyed to the owner, agent, manager or mining engineer of

the mining lease within the period of ninety days, the progressive mine closure plan shall be deemed to have been provisionally approved, and such approval shall be subject to final decision whenever communicated.

- (5) The owner, agent, manager or mining engineer shall submit a final mine closure plan to Indian Bureau of Mines or the State Directorate in this behalf, as the case may be, for approval one year prior to the expiry of the lease period or the proposed closure of the mine, whichever is earlier. A copy of the final mine closure plan shall be sent simultaneously to the Panchayats having jurisdiction.
- (6) The Indian Bureau of Mines the State Directorate in this behalf, as the case may be, after giving the Panchayats concerned due opportunity shall convey his approval or refusal of the final mine closure plan within ninety days of the date of its receipt to the owner, agent, manager or mining engineer.

Provided that if approval or refusal of the final mine closure plan is not conveyed to the owner, agent, manager or mining engineer of the mining lease within the period as specified in sub-clause (6), the final mine closure plan shall be deemed to have been provisionally approved, and such approval shall be subject to the final decision whenever communicated.

- (7) The owner, manager or mining engineer shall have the responsibility to ensure that the measures contained in the mine closure plan including reclamation and rehabilitation works have been carried out in accordance with the approved mine closure plan or with such modifications as approved by the Indian Bureau of Mines or the State Directorate in this behalf.

- (8) The Central Government may make rules for the preparation and implementation of Mine Closure Plans. Without prejudice to the generality of this subsection, the Rules may provide for:-
- (a) manner of preparation of the plan.
  - (b) the qualification and experience of persons responsible for the preparation of the plan.
  - (c) the manner of submission of the plan to the Indian Bureau of Mines or to the Panchayats.
  - (d) the procedure to be adopted by the Indian Bureau of Mines or State Directorate for approving or refusing to approve the mining plan.
  - (e) addressing socio-economic effects of mine closure including rehabilitation of mining communities.
  - (f) gathering and communication of baseline and periodical data relating to environmental parameters in the area in and around the mine.
  - (g) public disclosure of the progressive and final mine closure plans and implementation thereof.
  - (h) independent monitoring of rehabilitation and restoration measures under the mine closure plans.

**34. Closure:**

- (1) The lessee shall not determine the lease or part thereof unless a final mine closure plan duly approved by the Indian Bureau of Mines or the State Directorate in this behalf, as the case may be, is implemented.
- (2) For the purposes of sub-section (1), the lessee shall be required to obtain a certificate from the Indian Bureau of Mines or the State Directorate in this behalf, as the case may be, to the effect that

protective, reclamation, restoration and rehabilitation work in accordance with the approved mine closure plan or with such modifications as approved by the competent authority have been carried out by the lessee.

- (3) If the lessee defaults in implementing the Mine Closure Plan, the State Government may cause the plan to be implemented by such other authority as it may direct at the cost of the lessee and the lessee shall be declared to be ineligible for the purposes of any concessions under this Act.

**Chapter-VI : MINERAL CONCESSION IN CASES WHERE MINERALS DO  
NOT VEST EXCLUSIVELY WITH GOVERNMENT**

**35. Applications in case minerals vest with private persons:**

Applications for concessions in respect of minerals which vest exclusively in a person other than the Government shall be made to such person and all concessions shall be granted subject to the provisions of this Act and in accordance with the provisions therein to the extent applicable.

**36. Concessions to be in the form of a Registered Deed:**

The concession granted in pursuance to the provisions of Section 35 shall be in the form of a Registered Deed executed by the Parties on such terms and conditions as may be agreed, and an authenticated copy of the Deed shall be deposited by the person granted the concession with the State Government and the Indian Bureau of Mines before commencing operations.

Provided that notwithstanding anything in such deed, it shall be lawful for the State Government to issue any direction to the leaseholder or to the person in whom the minerals vest, in accordance with the provisions of the Act.

**37. Cases where minerals vest partly with Government:**

In respect of lands where minerals vest partly in the Government and partly with a private person, the provisions of this Act shall apply in the same manner as they would apply in respect of land where minerals vest exclusively with the Government.

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

## Chapter-VII : RESERVATION

### **38. Reservation of areas for conservation of mineral resources:**

- (1) The State Government or the Central Government after consultation with the State Government concerned, may reserve an area not already held under a prospecting licence or mining lease for purposes of mineral conservation, and shall notify the reservation in the Official Gazette, specifying the reasons and the period of reservation.

Provided that the period may be extended from time to time in the public interest.

- (2) No application for mineral concessions shall be entertained in respect of an area reserved under Sub-Section (1), and any such application shall be deemed to have lapsed.

### **(39) Expiry and revocation of reservation:**

On the expiry of the period of reservation under Section 38, or such earlier date as may be notified by the Central Government or the State Government as the case may be, an area reserved under Section 38 shall be deemed to be available for grant of concessions after a lapse of thirty days or from such earlier date as may be notified for the purpose.

## Chapter-VIII : ROYALTY ETC.

### 40. Royalty payable in respect of major minerals:

- (1) The holder of a mining lease, whether granted before or after the commencement of this Act shall notwithstanding anything in the instrument of lease or in any other law for the time being in force, pay royalty in respect of any mineral removed or consumed by him or by his agent, manager, employee or contractor from the leased area..
- (2) The rate of royalty in respect of major minerals shall be as specified in schedule II of the Act.
- (3) The Central Government may, by notification in the Official Gazette, amend Schedule II of the Act so as to enhance or reduce the rate at which royalty shall be payable in respect of any mineral with effect from such date as may be specified in the notification:

Provided that the Central Government shall not enhance the rate of royalty in respect of any mineral more than once during any period of three years.

- (4) The State Government may by notification from time to time, declare the rate at which royalty shall be payable in respect of minor minerals and the rate of royalty shall be effective from such date.

Provided that the State Government shall not enhance the rate of royalty on respect of minor mineral more than once during any period of three years.

**41. Dead rent payable by the lessee:**

- (1) The holder of a mining lease, whether granted before or after the commencement of the Act, shall notwithstanding anything contained in the instrument of lease or in any other law for the time being in force, pay to the State Government, every year, dead rent at such rate as may be specified, for the time being, in Schedule III, for all the areas included in the instrument of lease:

Provided that where the holder of such mining lease becomes liable, under section 40, to pay royalty for any mineral removed or consumed by him or by his agent, manager, employee or contractor from the leased area, he shall be liable to pay either such royalty, or the dead rent in respect of that area, whichever is greater.

- (2) The Central Government may, by notification in the Official Gazette, amend the Schedule III so as to enhance or reduce the rate at which the dead rent shall be payable in respect of any area covered by a mining lease and such enhancement or reduction shall take effect from such date as may be specified in the notification:

Provided that the Central Government shall not enhance the rate of the dead rent in respect of any such area more than once during any period of three years.

**42. Payment of compensation to owner of surface rights, damage, etc.:**

- (1) The holder of a reconnaissance Licence or prospecting licence or mining lease shall be liable to pay to the occupier of the surface of the land over which he holds the licence or lease as the case may be, such annual compensation as may be determined by an officer appointed by the State



Government by notification in this behalf in the manner prescribed in Rules made by the State Government.

- (2) In respect of any land in which minerals vest in the Government, after the termination of a reconnaissance Licence or a prospecting licence or a mining lease, the State Government shall assess the damage, if any, done to the land by the reconnaissance or prospecting or mining operations and shall determine the amount of compensation payable by the licensee or the lessee as the case may be to the occupier of the surface land in such manner as may be prescribed in Rules made by the State Government.
- (3) In case the licensee or lessee as the case may be fails to pay the compensation within three months of its determination under Sub-Section (2), the State Government may on application, either forfeit the security deposit and make payment there from, or may recover the amount as provided in Section 55 of this Act, and may also declare the licensee or lessee ineligible for the purposes of any concessions under this Act.

**43. National Mineral Fund:**

- (1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf, there shall be established for the purposes of this Act, a Fund to be called as the "National Mineral Fund".
- (2) The Fund shall be under the control of the Central Government, and the balance to the credit of the Fund shall not lapse at the end of the Financial Year.
- (3) The Central Government may levy and collect a cess on major minerals extracted, at a rate not exceeding 10% of the royalty in such manner as may be prescribed and at such rate that as it may by notification in the Official Gazette, specify.

Provided that the rate shall not be enhanced more than once during any period of three years.

- (4) The cess shall be paid by the person holding the mining lease for the mineral.

Provided that where the minerals vest in a person other than the Government, and the holder of the mining lease fails to pay the cess, the person in whom the minerals vest shall, on demand, pay the amount of the cess demanded, without demur.

- (5) The proceeds of the cess levied under Sub-Section (2) shall first be credited to the Consolidated Fund of India, and the Central Government may, if Parliament by appropriation made by law in this behalf so provides, credit such proceeds and any other sums to the National Mineral Fund from time to time, for being utilised exclusively for the purposes of this Act.

- (6) The Fund may be used for:-

- (a) promoting scientific management of mining activities, and mine closures, including research and development and training.
- (b) mitigating adverse impacts of mining activity in peripheral areas of the mine including restoration and improvement of local infrastructure.
- (c) maintenance of community assets and services for local populations in the area.
- (d) human resource development of local populations for creating employment and self-employment capabilities.
- (e) such other public purposes in mining areas as may be deemed expedient by the Central Government from time to time.

- (7) Without prejudice to the generality of the above provisions, it shall be lawful for the Central Government to sanction grants to an authority for implementation of a mine closure plan under Sub-Section (3) of Section 33 on condition that the State Government, cause the recovery of the cost

thereof from the lessee to be deposited into the Fund in accordance with the provisions of Sub-Section (3) of Section 34.

- (6) The Central Government shall be responsible for the administration and management of the Fund and may
  - (a) formulate criteria for allocation of funds for such projects which are required to be implemented;
  - (b) approve schemes and sanction grants and loans from the Fund for the purpose to State Governments, Panchayats or other institutions and authorities and monitor their utilization.
- (7) The Central Government shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the profit and loss account and the balance-sheet in respect of the Fund in such form, as may be prescribed in consultation with the Comptroller and Auditor-General of India.
- (8) The accounts of the Fund shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him.

44. **State Mineral Fund:**

- (1) With effect from such date as the State Government may by notification approve in this behalf, there may be established for the purposes of this Act a Fund called the "State Mineral Fund".
- (2) The State may levy and collect a cess on minor minerals extracted at a rate not exceeding 10% of the royalty in such manner as may be prescribed and at such rate that as it may by notification in the Official Gazette, specify.

Provided that the rate shall not be enhanced more than once during any period of three years.
- (3) The cess shall be paid by the person holding the mining lease for the minor mineral.

Provided that where the minerals vest in a person other than the Government, and the holder of the mining lease fails to pay the cess, the person in whom the minerals vest shall, on demand, pay the amount of the cess demanded, without demur.

- (4) The proceeds of the cess levied under Sub-Section (2) shall first be credited to the Consolidated Fund of State, and the State Government may by appropriation made by law in this behalf, if so provided, credit such proceeds and any other sums to the State Mineral Fund from time to time, for being utilised exclusively for the purposes of this Act.
- (5) The Fund may be used for:-
  - (a) promoting scientific management of mining activities, and mine closures, including research and development and training.
  - (b) mitigating adverse impacts of mining activity in peripheral areas of the mine including restoration and improvement of local infrastructure.
  - (c) maintenance of community assets and services for local populations in the area.
  - (d) human resource development of local populations for creating employment and self-employment capabilities.
  - (e) such other public purposes in mining areas as may be deemed expedient by the State Government from time to time.
- (6) Without prejudice to the generality of the above provisions, it shall be lawful for the State Government to sanction grants to an authority for implementation of a mine closure plan under Sub-Section (3) of Section 33 and cause the recovery of the cost thereof from the lessee to be deposited into the Fund in accordance with the provisions of Sub-Section (3) of Section 34.
- (7) The State Government shall be responsible for the administration and management of the Fund and may

- (a) formulate criteria for allocation of funds for such projects which are required to be implemented;
  - (b) approve schemes and sanction grants and loans from the Fund for the purpose to Panchayats or other institutions and authorities and monitor their utilization.
- (8) The State Government shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the profit and loss account and the balance-sheet in respect of the Fund in such form, as may be prescribed in consultation with the Comptroller and Auditor-General of India.
- (9) The accounts of the Fund shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him.

## **Chapter-IX : POWER TO ISSUE DIRECTIONS, ETC.**

### **45. Power of the Central Government to issue directions in the interest of scientific mineral exploration and mining:**

- (1) It shall be the duty of the Central Government to take all such steps as may be necessary for the conservation of strategic mineral resources in the national interest and for the scientific development and exploitation of mineral resources.
- (2) To facilitate the scientific development and exploration of mineral resources and to ensure the protection of the environment and prevention and control of pollution from prospecting and mining related operations, the Central Government shall cause to be developed a National Sustainable Development Framework  
Provided that the State Government may with the previous approval of the Central Government frame a State Sustainable Development Framework not inconsistent with the National Sustainable Development Framework.
- (3) It shall be lawful for the Central Government to issue general directions consistent with the provisions of the Act to State Governments or to any authority under the Central or State Government for the conservation of strategic mineral resources in the national interest and for the scientific development and exploration of mineral resources and all such directions will be given effect to the extent possible, and without demur.
- (4) Without prejudice to the generality of the provisions of this Section, the Central Government shall for the purpose of scientific management and exploration of mineral resources, prescribe a framework for disclosure of information related to mineral resources and their exploration and exploitation, including the development of websites and Portals and databases; and such framework shall specify the nature and extent of the information required to be disclosed and the person or authority responsible for such disclosure and any such person or authority shall be

bound to comply except where the information is of a nature that would be entitled for exemption under Section 4(1)(a) of the Right to Information Act in relation to a public authority.

**46. Power to issue directions generally:**

- (1) The State Government may, in consultation with the Indian Bureau of Mines, in the interest of systematic development of mineral deposits, conservation of minerals, scientific mining and protection of the environment, issue directions to the owner, agent, mining engineer, geologist or manager of a mine.
- (2) Every such direction shall be given effect within such period as may be specified, not being a period of less than one week.

Provided that where there is difficulty in giving effect to any direction, the owner, agent, mining engineer, geologist or manager of the mine as the case may be may apply for modification or rescinding of such direction and the State Government, in consultation with the Indian Bureau of Mines may either modify or rescind the order or confirm it.

**47. Power to authorise Geological Survey of India and Indian Bureau of Mines, etc. to investigate and report:**

- (1) Where the Central Government is of the opinion that for the purpose of conservation of strategic mineral resources or for the scientific management, exploration and exploitation of mineral resources it is expedient to conduct a technical or scientific investigation with regard to any mineral or any land including lands in relation to which mineral concessions may have been granted, the Central Government may authorize the Geological Survey of India or the Indian Bureau of Mines or the Atomic Minerals Directorate of the Department of Atomic Energy or

such other authority it may specify in this behalf, to carry out such detailed technical or scientific investigation as may be necessary, and to submit a report within such period as shall be specified.

- (2) No such authorization under Sub-Section (1) shall be made by the Central Government in the case of any land in which mineral concession has been granted, except after consultation with the State Government where minerals vest in the State Government and with the person in whom the mineral vests in other cases.
- (3) On issue of an authorization under Sub-Section (1), it shall be lawful for the Geological Survey of India, Indian Bureau of Mines, Atomic Mineral Directorate or the specified authority or agency, and its servants and workman –
  - (a) to enter upon such land,
  - (b) to dig or bore into the sub-soil,
  - (c) to do all other acts necessary to determine the extent of any mineral available in or under such land,
  - (d) to set out boundaries of the land in which any mineral is expected to be found,
  - (e) to mark such boundaries and line by placing marks,
  - (f) where otherwise the survey cannot be completed on the boundaries and line marked, to cut down and clear away any part to any standing crop, fence or jungle:

Provided that no such authority or agency shall enter into any building or upon any enclosed court or garden attached to a dwelling-house (except with the consent of the occupier thereof) without previously giving such occupier at least seven days' notice in writing of its intention to do so.

- (4) Whenever any action of the nature specified in sub-section (3) is to be taken, the Central Government shall, before or at the time when such action is taken, pay or tender payment for all necessary damage which is



likely to be caused, and in case of dispute as to the sufficiency of the amount so paid or tendered or as to the person to whom it should be paid or tendered, the Central Government shall refer the dispute to the principal civil court of original jurisdiction having jurisdiction over the land in question.

- (5) The fact that here exists any such dispute as is referred to in sub-section (4) shall not be a bar to the taking of any action under sub-section (3).
- (6) After the completion of the investigation, the Geological Survey of India, Indian Bureau of Mines, Atomic Minerals Directorate or the specified authority or agency by which the investigation was made shall submit to the Central Government a detailed report indicating therein the extent and nature of any mineral which lies deposited in or under the land.
- (7) The costs of the investigation made under this section shall be borne by the Central Government.
- (8) The Central Government may, having regard to the utility of the Report submitted under Sub-Section (6), and the public interest, make available the Report to such persons and at such cost as may be prescribed.

**48. Power of the Indian Bureau of Mines and State Directorate to issue certain directions and to seek information:**

- (1) The Indian Bureau of Mines or any officer duly authorised by the Government to enter and inspect a mine, may examine or direct the examination of any mineral deposit in any area under prospecting licence or mining lease and take samples therefrom at any time for the purposes of this Act.
- (2) If any mine or part thereof, in the opinion of the Indian Bureau of Mines poses a grave and immediate threat to the conservation of minerals or to environment, he may, it an order in writing to the owner, agent, mining engineer or manager, require him to take such measures as may be specified in the order and may prohibit, until the requirements as specified

in the order are complied with to its satisfaction, the deployment of any person other than those required for compliance with the requirement of the order.

- (3) The Indian Bureau of Mines, by an order in writing, may require the cores or specimens of rocks and minerals obtained from specific boreholes or shafts to be preserved for any specific period or relax the provisions of this Sub-Section to such an extent as it may deem fit.
- (4) Every holder of a prospecting licence or a mining lease on being directed to do so shall afford all reasonable facilities to persons authorised by the Indian Bureau of Mines for the purpose of undertaking research or training in matters relating to mining or geology.
- (5) The holder of a reconnaissance Licence, prospecting license or mining lease, or his agent shall furnish such information regarding his reconnaissance or prospecting or mining operations or regarding the mine or any matter connected therewith as the Indian Bureau of Mines or the authorised officer of the Government may require by an order in writing and the information shall be furnished within such time and with such periodicity as may be specified in the aforesaid order.
- (6) The State Directorate shall exercise the same functions and shall have the same powers in relation to minor minerals as the Indian Bureau of Mines may exercise in respect of any minerals under this section.

**49. Power of entry and inspection:**

- (1) For the purpose of ascertaining the position of the working, actual or prospective, of any mine or abandoned mine or for any other purpose connected with this Act or the rules made thereunder, any person authorised by the Indian Bureau of Mines or the State Directorate in this behalf, by general order, may:-

- (a) enter and inspect any mine;
  - (b) survey and take measurements in any such mine;
  - (c) weigh, measure or take measurements of the stocks of minerals lying at any mine;
  - (d) examine any document, book, register, or record in the possession or power of any person having the control of, or connected with, any mine and place marks of identification thereon, and take extracts from or make copies of such document, book, register or record;
  - (e) order the production of any such document, book, register, record, as is referred to in clause (d); and
  - (f) examine any person having the control of, or connected with, any mine.
- (2) Every person authorised by the Indian Bureau of Mines or a State Directorate under sub-section (1) shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code, and every person to whom an order or summons is issued by virtue of the power conferred by clause (c) or clause (f) of that sub-section shall be legally bound to comply with such order or summons, as the case may be.

**50. Delegation of powers:**

- (1) The Central Government may, by notification in the Official Gazette, direct that any power exercisable by it under this Act may, in relation to such matters and subject to such conditions, if any, as may be specified in the notification be exercisable also by –
- (a) Such officer or authority subordinate to the Central Government;  
or
  - (b) Such State Government or such officer or authority subordinate to a State Government; as may be specified in the notification.

- (2) The State Government may, by notification in the Official Gazette, direct that any power exercisable by it under this Act may, in relation to such matters and subject to such conditions, if any, as may be specified in the notification, be exercisable also by such officer or authority subordinate to the State Government as may be specified in the notification.
- (3) Any rules made by the Central Government under this Act may confer powers and impose duties or authorise the conferring of powers and imposition of duties upon any State Government or any officer or authority subordinate thereto.

## **Chapter-X : OFFENCES AND PENALTIES**

### **51. Offences and Penalties:**

- (1) Whoever contravenes any of the provisions of section 4, shall be punished with imprisonment for a term which may extend to five years, or with fine which may extend to twenty-five thousand rupee per hectare or part thereof, or with both.
- (2) Whoever contravenes the provision of Section 11 shall be punished with fine which may extend to Rupees one thousand per hectare in respect of reconnaissance and Rupees twenty five thousand per hectare in respect of other concessions or with imprisonment that may extend to five years in default thereof.
- (3) Whoever disobeys any direction given by the State Government or the Indian Bureau of Mines or any other authority empowered in this behalf under this Act shall, unless there is a specific penalty in this regard, be liable on conviction to be punished with a fine that may extend to Rupees twenty five thousand per day for the period of such disobedience or part thereof.
- (4) Any rule made under any provision of this Act any provide that any contravention thereof shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to five thousand rupees, or with both, and in the case of continuing contravention, with an additional fine which may extend to thousand rupees for every day during which such contravention continues after conviction for the first such contravention.
- (5) Whenever any person raises, transports or causes to be raised or transported, without any lawful authority, any mineral from any land, and, for that purpose, uses any tool, equipment, vehicle or any other thing, such mineral, tool, equipment, vehicle or any other thing shall be liable to be seized by an officer or authority specially empowered in this behalf.

- (6) Any mineral, tool, equipment, vehicle or any other thing seized under sub-section (4), shall be liable to be confiscated by an order of the court competent to take cognizance of the offence and shall be disposed of in accordance with the directions of such court.
- (7) Whenever any person raises, without any lawful authority, any mineral from any land, the State Government may recover from such person the mineral so raised, or, where such mineral has already been disposed of the price thereof, and may also recover from such person, rent, royalty or tax, as the case may be, for the period during which the land was occupied by such person without any lawful authority.
- (8) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, an offence under sub-section (1) shall be cognizable.

**52. Offences by companies:**

- (1) If the person committing an offence under this Act or any rules made thereunder is a company, every person who at the time the offence was committed was in charge of, and was responsible to the company for the conduct of the business of the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge and that he exercised all due diligence to prevent the commission of such offence.

- (2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed with the consent or connivance of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that

offence and shall be liable to be proceeded against and punished accordingly.

*Explanation:-* For the purposes of this section.

- (a) "*company*" means any body corporate and includes a firm or other association of individuals;
- (b) "*director*" in relation to a firm means a partner in the firm.

**53. Cognizance of offences:**

No court shall take cognizance of any offence punishable under this Act or any rules made thereunder except upon complaint in writing made by a person authorised in this behalf by the Central Government in respect of major minerals or the State Government in respect of minor minerals.

**54. Power to search:**

- (1) If any gazetted officer of the Central or a State Government authorised by the Central Government or a State Government, as the case may be in this behalf by general or special order has reason to believe that any mineral has been raised in contravention of the provisions of this Act or rules made thereunder or any document or thing in relation to such mineral is secreted in any place or vehicle, he may search for such mineral, document or thing and the provisions of section 100 of the Code of Criminal procedure, 1973 shall apply to every such search.
- (2) For the purpose of ascertaining the position of the working, actual or prospective, of any mine or abandoned mine or for any other purpose connected with this Act or the rules made thereunder, any person authorised by the Central Government or a State Government in this behalf, by general order, may-
  - (a) enter and inspect any mine;

- (b) survey and take measurements in any such mine;
  - (c) weigh, measure or take measurements of the stocks of minerals lying at any mine;
  - (d) examine any document, book, register, or record in the possession or power of any person having the control of, or connected with, any mine and place marks of identification thereon, and take extracts from or make copies of such document, book, register or record;
  - (e) order the production of any such document, book, register, record, as is referred to in clause (d); and
  - (f) examine any person having the control of, or connected with, any mine.
- (3) Every person authorised by the Central Government or a State Government under sub-section (1) shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code, and every person to whom an order or summons is issued by virtue of the power conferred by clause (c) or clause (f) of that sub-section shall be legally bound to comply with such order or summons, as the case may be.

**55. Compounding of offences:**

- (1) Any offence punishable under this Act or any rule made thereunder may, either before or after the institution of the prosecution, be compounded by the person authorised under section 50 to make a complaint to the court with respect to that offence, on payment to that person, for credit to the Government, of such sum as that person may specify:

Provided that in the case of an offence punishable with fine only, no such sum shall exceed the maximum amount of fine which may be imposed for that offence.



- (2) Where an offence is compounded under sub-section (1), no proceeding or further proceeding, as the case may be, shall be taken against the offender in respect of the offence so compounded, and the offender, if in custody, shall be released forthwith.

**56. Recovery of certain sums as arrears of land revenue:**

- (1) Any rent, royalty, tax, cess, fee or other sum due to the Government under this Act or the rules made thereunder or under the terms and conditions of any reconnaissance Licence, prospecting licence or mining lease may, on a certificate of such officer as may be specified by the State Government in this behalf by general or special order, be recovered in the same manner as an arrear of land revenue.
- (2) Any rent, royalty, tax, cess, fee or other sum due to the Government either under this Act or any rule made thereunder or under the terms and conditions of any reconnaissance Licence, prospecting licence or mining lease may, on a certificate of such officer as may be specified by the State Government in this behalf by general or special order, be recovered in the same manner as if it were an arrear of land revenue and every such sum which becomes due to the Government after the commencement of this Act, together with the interest due thereon shall be a first charge on the assets of the holder of the reconnaissance Licence, prospecting licence or mining lease, as the case may be.

Provided that in respect of a concession in respect of a land in which the mineral vest in a private person, such sum may also be recovered in the same manner from such person.

**57. Protection of action taken in good faith:**

No suit, prosecution or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act.

## Chapter-XI : MINING TRIBUNALS

### 58. National Mining Administrative Tribunal:

- (1) The Central Government may by notification establish a Tribunal to be known as the National Mining Administrative Tribunal, to exercise jurisdiction, powers and authority conferred on such Tribunal by or under this Act.
- (2) The Principal Bench of the National Mining Administrative Tribunal shall be in the National Capital Territory of Delhi, with benches at such other places as may be notified from time to time.
- (3) The National Mining Administrative Tribunal shall consist of a Chairperson, and upto three Judicial Members and three Administrative Members, who shall be appointed and shall hold office in accordance with the provisions of this Act and rules rates thereunder.
- (4) No person shall be eligible to be appointed as Chairperson to National Mining Administrative Tribunal unless he
  - (a) is at least 55 years of age and not more than 62 years of age.
  - (b) is a person of sound integrity.
  - (c) has special knowledge of Mining law
  - (d) is experienced in handling quasi-judicial work

Provided that a person who is, or has been in the service of Government shall not be appointed as a chairman unless such person has held the post of Secretary or Additional Secretary, or the post of Additional Secretary and Secretary to the Government of India or any equivalent post in the Central Government or the State Government for a period of not less than three years.

- (5) No person shall be eligible to be appointed a Judicial Member unless he
- (a) is at least 55 years of age and not more than 62 years of age.
  - (b) is a person of sound integrity.
  - (c) has held a judicial office in the territory of India for at least ten years or who has been a member of the Indian Legal Service and has held a post in Grade I of that service equivalent to Joint Secretary to the Government of India or any equivalent or higher post for at least three years, or who has been an advocate for at least ten years with practice in mining related matters.
- (6) No person shall be eligible to be appointed as Administrative Member unless he:-
- (a) is at least 55 years of age and not more than 62 years of age.
  - (b) is a person of sound integrity.
  - (c) is versed in Mining law or experienced in handling quasi-judicial work, and has held the post of Joint Secretary to the Government of India or any other post under the Central or State Government carrying the scale of pay which is not less than that of a Joint Secretary to the Government of India or any equivalent or higher post for at least five years.
- (7) A person shall be disqualified for appointment to the post or continuance in the post of chairperson or member, if he –
- (a) has been convicted and sentenced to imprisonment for any offence;  
or
  - (b) is an undischarged insolvent; or
  - (c) is of unsound mind and stands so declared by a competent court; or
  - (d) has been removed or dismissed from the service of the Government or a body corporate owned or controlled by the Government; or
  - (e) has in the opinion of the Central Government such financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member; or

- (f) has such other disqualifications as may be prescribed.
- (8) The chairperson of the National Mining Administrative Tribunal shall hold office for a term not exceeding five years from the date he enters upon his office or upto the age of sixty seven years, whichever is earlier.
- (9) A member of the National Mining Administrative Tribunal shall hold office for a term not exceeding five years from the date he enters upon his office or upto the age of sixty five years, whichever is earlier.
- (10) The salary or honorarium and other allowances payable to and other terms and conditions of service of the chairperson and other members of the National Mining Administrative Tribunal shall be such as may be prescribed by the Central Government.  
Provided that neither the salary or honorarium and other allowances nor the other terms and conditions of service of the chairperson and other members of the National Mining Administrative Tribunal shall be varied to their disadvantage after appointment.
- (11) A chairperson and a member of the National Mining Administrative Tribunal may, by notice in writing under his hand addressed to the Central Government, resign his office.  
Provided that a chairperson and a Member of the National Mining Administrative Tribunal shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor enters upon his office or until the expiry of his term of office, whichever is the earliest.
- (12) The chairperson or any other Member of the National Mining Administrative Tribunal shall not be removed from his office except on the ground of proved mis-behaviour or physical or mental incapability or if he is disqualified in terms of Sub-Section (7).  
Provided that the Central Government may pass an order for such removal only after an inquiry in which the chairperson or member as the case may

be has been informed of the charges against him and given a reasonable opportunity of being heard in respect of those charges.

- (13) The Central Government may, by rules, regulate the procedure for the inquiry or disqualification of the chairperson or Member of National Mining Administrative Tribunal under this section.
- (14) The Central Government may suspend from office the chairperson or a member in respect of whom an inquiry has been initiated under sub-section (12) of this section.

**59. Powers and procedures of the Tribunal:**

- (1) Subject to the provisions of this Act the National Mining Administrative Tribunal shall have the powers with respect to major minerals:-
  - (a) to hear on applications from affected persons and confirm or modify or set aside any order passed by the Central or State Government under this Act or Rules thereunder as it may deem just and proper.
  - (b) to hear applications in relation to implementation of Mining Plans and Mine Closure Plans including orders or directions issued under this Act in relation thereto.
  - (c) to adjudicate on applications seeking directions to Central or State Governments to dispose an application for grant of concession with respect to any major mineral within such time as the National Mining Administrative Tribunal may stipulate, in such cases where the Central and State Government have failed to dispose the application within the time prescribed by the Act.
- (2) The powers and functions of the National Mining Administrative Tribunal may be exercised and discharged by Benches constituted by the Chairperson of the National Mining Administrative Tribunal from among the members thereof. Provided that:-

- (a) a Bench shall consist of the chairperson or a judicial member and one administrative member.
  - (b) if the members of a Bench differ in opinion on any point, they shall state the point or points on which they differ, and the case shall be referred to the Full Tribunal consisting of all Members sitting together.
- (3) Subject to the provisions of this Act and Rules thereunder, the National Mining Administrative Tribunal shall have the power to regulate its own procedure and the procedure of Benches thereof in all matters arising out of the exercise of its powers or of the discharge of its functions.
- (4) For exercising its powers in its jurisdiction the National Mining Administrative Tribunal may call for the records of the case and pass such order in respect of the matter specified in sub-section 1(a) and (b) of this section, as it deems fit.

Provided that the National Mining Administrative Tribunal shall, before passing any order, give a reasonable opportunity to the Central Government or State Government, the affected parties and if necessary any other authority, as the case may be, of being heard.

Provided further that the National Mining Administrative Tribunal shall dispose off the case within a period of six months from the date of filing of the application unless for reasons to be recorded, the Tribunal extends the time period for such disposal.

- (5) Every application to the National Mining Administrative Tribunal shall be filed within a period of ninety days from the date on which a copy of the order made by the State Government or Central Government, as the case may be, is received by the aggrieved party and it shall be in such form and be accompanied by such fee as may be prescribed:

Provided that the National Mining Administrative Tribunal may entertain an application after the expiry of the said period of ninety days if it is satisfied, for reasons to be recorded that there was sufficient cause for not filing it within that period.

- (6) The National Mining Administrative Tribunal shall have, for the purposes of discharging their functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908), while hearing an application.
- (7) No application shall be filed against an order of the National Mining Administrative Tribunal.
- (8) Application for revision of the order of a Bench may be made to the full bench of the Tribunal within a period of ninety days from the date of the decision or order appealed against.
- (9) Where an appeal instituted before the National Mining Administrative Tribunal is found to be frivolous or vexatious, it shall, for reasons to be recorded in writing, dismiss the appeal and make an order that the appellant shall pay to the respondent such fine as may be specified in the order.
- (10) If any person willfully fails to comply with the order of the National Mining Administrative Tribunal, he shall be punishable with fine which may extend to one lakh rupees.
- (11) Any order passed by the National Mining Administrative Tribunal under this section shall be executable in the manner of a decree of civil court, and for this purpose, the Tribunal shall have all the powers of a civil court.
- (12) All revision cases pending before the Central Government, shall stand transferred to the National Mining Administrative Tribunal on its establishment.
- Provided that all such cases shall be disposed off by the National Mining Administrative Tribunal in accordance with the provisions of the Mines and Minerals (Development and Regulation) Act, 1957 and Rules made thereunder.
- (12) No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the National Mining Administrative Tribunal is empowered by or under this Act to determine and no injunction shall be

granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

- (13) (a) Notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908) or in any other law, an appeal shall lie against any order, not being an interlocutory order, of the National Mining Administrative Tribunal to the High Court on one or more grounds specified in section 100 of that Code.
- (b) No appeal shall lie against any decision or order made by the National Mining Administrative Tribunal with the consent of the Parties.

**60. State Mining Administrative Tribunal:**

- (1) The State Government may by notification establish a Tribunal to be known as the State Mining Administrative Tribunal, to exercise jurisdiction, powers and authority conferred on such Tribunal by or under this Act.
- Provided that in case no State Mining Administrative Tribunal is constituted in respect of a State the National Mining Administrative Tribunal shall exercise the powers exercisable in the State Mining Administrative Tribunal until such time as the State Mining Administrative Tribunal is constituted.
- (2) The Principal Bench of the Tribunal shall be in the Capital of State concerned, with benches at such other places as may be notified from time to time.
- (3) The composition, qualification and terms of office of the Chairperson, Judicial Members and Administrative Members of the State Mining Administrative Tribunal may be as prescribed.
- (4) The State Mining Administrative Tribunal shall have the powers in respect to minor minerals:-



- (a) to hear applications from affected persons and confirm or modify or set aside any order passed by the State Government under this Act or Rules thereunder as it may deem just and proper.
  - (b) to hear applications as the case may be from any affected party in relation to implementation of Mining Plans and Mine Closure Plans, including orders or directions issued under this Act or in relation thereto.
  - (c) to adjudicate on applications seeking directions to State Governments to dispose an application for grant of concession with respect of minor mineral within such time as the State Mining Administrative Tribunal may stipulate, in such cases where the State Government have failed to dispose the application within the time prescribed by the Act.
- (5) The powers and functions of the State Mining Administrative Tribunal may be exercised and discharged by Benches constituted by the Chairperson of the State Mining Administrative Tribunal from among the members thereof as prescribed.
- (6) The State Mining Administrative Tribunal shall dispose off the case within a period of six months from the date of filing of the application unless for reasons to be recorded, the Tribunal extends the time period for such disposal.
- (7) No application shall be filed against an order of the State Mining Administrative Tribunal.
- (8) Application for revision of the order of a Bench may be made to the full bench of the State Mining Administrative Tribunal within a period of ninety days from the date of the decision or order appealed against. Provided that the State Mining Administrative Tribunal may entertain an appeal after the expiry of the said period of ninety days if it is satisfied, for reasons to be recorded that there was sufficient cause for not filing it within that period.

- (8) The State Mining Administrative Tribunal shall have, for the purposes of discharging their functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908), while trying an appeal.
- (9) If any person willfully fails to comply with the order of the State Mining Administrative Tribunal, he shall be punishable with fine which may extend to one lakh rupees.
- (10) Any order passed by the State Mining Administrative Tribunal under to this section shall be executable in the manner of a decree of civil court, and for this purpose, the State Mining Administrative Tribunal shall have all the powers of a civil court.
- (11) No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the State Mining Administrative Tribunal is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.
- (12)
  - (a) Notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908) or in any other law, an appeal shall lie against any order, not being an interlocutory order, of the State Mining Administrative Tribunal to the High Court on one or more grounds specified in section 100 of that Code.
  - (b) No appeal shall lie against any decision or order made by the State Mining Administrative Tribunal with the consent of the Parties.

## Chapter-XII : POWER TO FRAME RULES

### 61. Power of Central Government to frame Rules:

- (1) The Central Government may by notification in the Official Gazette make such Rules as it may think fit in furtherance of the provisions of this Act for the scientific development, exploitation and management of mineral resources and for grant of concessions in respect of major minerals.
- (2) Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely,
  - (a) the person by whom, and the manner in which, applications for reconnaissance Licences, prospecting licences or mining leases in respect of land in which the minerals vest in the Government may be made and the fees to be paid therefor;
  - (b) the manner in which reconnaissance or prospecting operations may be undertaken in pursuance of the provision of the subsection (2) of section 4
  - (c) the manner in which notifications shall be issued under the provision of subsection (2) and subsection (3) of section 4.
  - (d) the earnest money to be paid in respect of applications for various concessions
  - (e) the fees and security deposit to be paid by an applicant for obtaining a licence or lease.
  - (f) the time within which, and the form in which, acknowledgement of the receipt of any such application may be sent and the manner in which the applications shall be registered;
  - (g) the manner in which concessions will be given through competitive bidding processes.
  - (h) the manner in which applications will be considered and disposed off; and

- (i) the procedure for notifying the grant of concessions in official websites;
- (j) the opening of new mines and the regulation of mining operations in any area;
- (k) the regulation of the excavation or collection of minerals from any mine and arrangements for the storage of minerals and the stocks thereof that may be kept by any person;
- (l) the measures to be taken by owners of mines for the purpose of beneficiation of ores, including the provision of suitable contrivances for such purpose;
- (m) the development of mineral resources in any area;
- (n) the notification of all new borings and shaft sinking and the preservation of bore-hole records, and specimens of cores of all new bore-holes;
- (o) the submission of samples of minerals from any mine by the owner thereof and the manner in which and the authority to which such samples shall be submitted;
- (p) and the taking of samples of any minerals from any mine by the State Government or any other authority specified by it in that behalf;
- (q) the maintenance and submission of such plans, registers or records as may be specified by the Government and the submission by owners of mines of such special or periodical returns and reports as may be specified, and the form in which and the authority to which such returns and reports shall be submitted;
- (r) the regulation of prospecting and mining operations and the employment of qualified geologists or mining engineers to supervise prospecting or mining operations;
- (s) preparation, approval and implementation of Mining Plans;
- (t) determination of mining leases;
- (u) preparation, approval and implementation of Mine Closure Plans;

- (v) management of the National Mineral Fund including accounting procedures;
- (w) the manner in which and the authority by which directions may be issued to the owners of any mine to do or refrain from doing certain things in the interest of conservation or systematic development of minerals or for the protection of environment by preventing or controlling pollution which may be caused by prospecting or mining operations;
- (x) the submission of records or reports by persons carrying on prospecting or mining operations regarding any research in mining or geology carried out by them;
- (y) the facilities to be afforded by persons carrying out prospecting or mining operations to persons authorised by the Central Government for the purpose of undertaking research or training in matters relating to mining or geology;
- (z) circumstances and conditions under which licences and leases may be granted to a person other than the first eligible applicant;
- (aa) procedure for inviting applications for mining leases in notified areas, including the bidding process;
- (bb) fees to be charged for transfer of concessions and procedures in relation to applications for transfer;
- (cc) matters relating to appointments, terms and conditions, procedures, etc. in relation to the National Mining Administrative Tribunal;
- (dd) the procedure for and the manner of imposition of fines for the contravention of any of the rules framed under this section and the authority who may impose such fines;
- (ee) management of the National Core Repository;
- (ff) matters relating to concessions in respect of lands the minerals in which vest in a private person; and
- (gg) any other matter which under this Act is required to be prescribed.

**62. Power of State Government to frame Rules:**

- (1) The State Government may, by notification in the Official Gazette, make rules for regulating the grant of concession for minor minerals in consonance with the provisions of the Act  
.
- (2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-
  - (a) the person by whom and the manner in which, applications for quarry leases, mining leases or other mineral concessions may be made and the fees to be paid therefore and the time within which, and the form in which, acknowledgement of the receipt of any such applications may be sent;
  - (b) the matters which may be considered where applications in respect of the same land are received within the same day;
  - (c) the terms on which, and the conditions subject to which and the authority by which quarry leases, mining leases or other mineral concessions may be granted or renewed and the procedure for obtaining quarry leases, mining leases or other mineral concessions;
  - (d) the facilities to be afforded by holders of quarry leases, mining leases or other mineral concessions to persons deputed by the Government for the purpose of undertaking research or training in matters relating to mining operations;

- (e) the fixing and collection of rent, royalty, fees, dead rent, fines or other charges and the time within which and the manner in which these shall be payable;
- (f) the manner in which the rights or third parties may be protected (whether by way of payment or compensation or otherwise) in case where any such party is prejudicially affected by reason of any prospecting or mining operations;
- (g) the manner in which the rehabilitation of flora and other vegetation, such as trees, shrubs and the like destroyed by reasons of any quarrying or mining operations shall be made in the same area or in any other area selected by the State Government (whether by way of reimbursement of the cost of rehabilitation or otherwise) by the person holding the quarrying or mining lease;
- (h) the manner in which and the conditions subject to which, a quarry lease, mining lease or other mineral concessions may be transferred;
- (i) the construction, maintenance and use of roads, power transmission lines, tramways, railways, aerial ropeways, pipelines and the making of passage for water for mining purposes or any land comprised in a quarry or mining lease or other mineral concessions;
- (j) the form of registers to be maintained under this Act and the reports and statements to be submitted by holders of quarry or mining leases or other mineral concessions and the authority to which such reports and statements shall be submitted;
- (k) the management of the State Mineral Fund and the accounting procedures in relation thereto
- (l) the composition, qualification and term of office of the Chairman and members of the State Mining Administrative Tribunal and procedures of the Tribunal

- (m) any other matter which under this Act is to be, or may be prescribed.
- (3) Until rules are made under sub-section (1), any rules made by a State Government regulating the grant of quarry leases, mining leases or other mineral concessions in respect of minor minerals which are in force immediately before the commencement of this Act shall continue in force.
- (4) The holder of a mining lease or any other mineral concession granted under any rule made under subsection (1) shall pay royalty or dead rent, whichever is more in respect of minor minerals removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee at the rate prescribed for the time being in the rules framed by the State Government in respect of minor minerals.

Provided that the State Government shall not enhance the rate of royalty or dead rent in respect of any minor mineral for more than once during any period of three years.

- (5) The State Government may, by notification in the Official Gazette, make rules for preventing illegal mining, transportation and storage of minerals and for the purposes connected therewith.

In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-

- (a) establishment of check-posts for checking of minerals under transit;
- (b) establishment of weigh-bridges to measure the quantity of mineral being transported;
- (c) regulation of mineral being transported from the area granted under a prospecting licence or a mining lease or a quarrying



licence or a Licence, in whatever name the permission to excavate minerals, has been given;

- (d) inspection, checking and search of minerals at the place of excavation or storage or during transit;
- (e) maintenance of registers and forms for the purposes of these rules;
- (f) the period within which and the authority to which applications for revision of any order passed by any authority be preferred under any rule made under this section and the fees to be paid therefor and powers of such authority for disposing of such applications; and
- (g) any other matter which is required to be, or may be, prescribed for the purpose of prevention of illegal mining, transportation and storage of minerals.

## Chapter-XIII : MISCELLANEOUS

### **63. National Core Repository:-**

- (1) The Central Government may by notification establish under its control a National Core Repository for preservation and archiving of drill cores generated during mineral exploration.
- (2) The Repository may be managed in such manner as may be prescribed.
- (3) The holder of any mineral concession shall, at his own expense, cause to be deposited with the national core repository a representative portion of cores selected in such manner as may be specified by the Repository.  
Provided that the Repository shall not disclose information with respect to any core received by it under this subsection till after lapse of six months from the date of termination of the concession.

### **64. Approval of Central Government through State Government:**

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

### **65. Validation of certain acts and indemnity:**

- (1) All rules made or purporting to have been made under the Mines and Minerals (Regulation and Development) Act, 1948, and Mines and Mineral (Development and Regulation) Act, 1957, shall in so far as they relate to matters for which provision is made in this Act and are not inconsistent therewith, be deemed to have been made under this Act as if this Act had been in force on the date on which such rules were made and shall continue in force unless and until they are superseded by any rules made under this Act.

- (2) All acts of executive authority done, proceedings taken and sentences passed under the Mines and Minerals (Development and Regulation) Act, 1957, with respect to the regulation of mines and the development of minerals by the Government or by any officer of the Government or by any other authority, in the belief or purported belief that the acts, proceedings or sentences were being done, taken or passed under the said Act, shall be as valid and operative as if they had been done, taken or passed in accordance with law, and no suit or other legal proceeding shall be maintained or continued against any person whatsoever, on the ground that any such acts, proceedings or sentences were not done, taken or passed in accordance with law.
- (3) No suit, prosecution or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act.

**66. Declaration of a mineral as a major mineral:**

Notwithstanding anything in the Act to the contrary, the Central Government may by notification in the Official Gazette, declare any mineral as a major mineral or delete any mineral from the list of major minerals by notification to this effect in the Official Gazette, and upon so doing the Schedule shall be deemed to have been so amended with effect from such date as may be specified in the notification.

**67. Repeal & Saving:**

- (1) The Mines and Minerals (Development & Regulation) Act, 1957 (Act No.67 of 1957) is hereby repealed. Notwithstanding such repeal any act done or order passed under that Act shall be deemed to have been done or passed under this Act except to the extent that such act or order is inconsistent with the provisions of this Act.

Without prejudice to the generality of the provisions of this Sub-Section, applications for grant of concessions which have received the prior approval of the Central Government under the Mines and Minerals (Development & Regulation) Act, 1957 shall be processed under the provisions of this Act as if they had received approval under this Act.

Provided further that a person who holds a Reconnaissance Licence prior to the commencement of this Act shall be entitled to continue to hold the licence to the exclusion of all others for a period of one year or validity of the licence whichever is less and during the period no other Reconnaissance or Large Area Prospecting Licence applications shall be entertained for the area covered by the Reconnaissance Licence.

- (2) Notwithstanding the repeal, applications for grant of mineral concessions made under the Mines and Minerals (Development & Regulation) Act, 1957 and pending on the date of commencement of the Act shall be disposed off in the following manner:-
- (a) applications for non-notified areas under Section 11 of the Mines and Minerals (Development & Regulation) Act, 1957 shall be disposed off in accordance with the provisions of this Act.
  - (b) applications in respect of a forest area notified for grant under the Mines and Minerals (Development & Regulation) Act, 1957 where clearances has not been taken prior to notification shall be deemed to have lapsed.

Provided that all such areas shall be deemed to have been reserved in terms of Section 38 of this Act for a period of two years from the date of commencement of this Act.

Provided further that notwithstanding anything to the contrary in this Act, the State Government shall be competent to revoke the reservation in respect of any such land at any time or extend the period of the reservation for such further periods not exceeding five years in all, in the public interest.

- (c) applications in respect of a forest area notified for grant under the Mines and Minerals (Development & Regulation) Act, 1957 where clearance has been taken shall be processed in accordance with the provisions of Section 13 of this Act.  
Provided that in case there is no closing date for such applications in the notification, the date occurring on the lapse of three months from the date of commencement of this Act shall be deemed to be the closing date.
  - (d) notifications in respect of a non-forest area notified for grant under the Mines and Minerals (Development & Regulation) Act, 1957 which do not have a closing date for inviting applications shall be deemed to have as closing date the date occurring on the lapse of three months from the date of enactment of this Act and all applications received in response to a notification in respect of a non-forest area shall be processed in accordance with the provisions of Section 13 of this Act.
- (3) For the purposes of disposal of pending applications in accordance with the provisions of sub-section (2), the time limit prescribed in section 14 shall be deemed to commence from date of commencement of the Act.