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Mineral Concession (Amendment) Rules, 2021

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MINISTRY OF COAL

NOTIFICATION

New Delhi, the 1st October, 2021

G.S.R. 717(E).—In exercise of powers conferred by Section 13 of the Mines and Minerals Development and Regulation) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules further to amend the Mineral Concession Rules, 1960, namely:-

1. Short title and commencement.—(1) These rules may be called the Mineral Concession (Amendment) Rules, 2021.

(2) Save as otherwise provided in these rules they shall come into force on the date of their publication in Gazette of India.

2. In the Mineral Concession Rules, 1960, (hereinafter referred to as the principal rules), in rule 2, in sub-rule (1), after clause (vii), the following clause shall be inserted, namely:-

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

3. In the principal rules, after rule 24B the following rule shall be inserted, namely:-

“24C. Period of mining lease granted to Government companies or corporations.—

- (1) All mining leases granted on or after the commencement of the Mineral Concession (Amendment) Rules, 2021 to a Government company or corporation for coal or lignite shall be for a period of fifty years.
- (2) All subsisting mining leases vested or granted to a Government company or corporation before commencement of the Mineral Concession (Amendment) Rules, 2021 for coal or lignite shall be deemed to have been granted for fifty years or till 31st March 2030, whichever is later.
- (3) The State Government, upon an application made to it in this behalf by the Government company or corporation at least three months prior to the expiry of the mining lease, shall extend the period of the mining lease for a further period of twenty years at a time:
Provided that the State Government may condone the delay in application for extension made after the prescribed time limit:
Provided further that no extension of period of mining lease shall be granted to a Government company or corporation that has been selected through auction.
- (4) If an application for extension of mining lease made within the time mentioned in sub-rule (3) is not disposed of by the State Government before the date of expiry of the lease, the period of that lease shall be deemed to have been extended till the State Government passes an order on the same.
- (5) All applications made by a Government company or corporation for renewal of mining lease which were pending as on the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2021 (16 of 2021) shall be deemed to be applications for extension of the period of the mining lease and shall be disposed of in accordance with the provisions of sub-rule (3).”.

4. In the principal rules, after rule 27, the following rule shall be inserted, namely:-

“27A. Manner of sale of coal or lignite by the lessee of a captive mine.— (1) Any lessee may, where coal or lignite is used for captive purpose, sell coal or lignite up to such per cent. of the total coal or lignite produced in a financial year, as allowed under sub-section (5) of section 8, after meeting the requirement of the end use plant linked with the mine.

Explanation 1.- For the purpose of this rule it is clarified that the requirement of the end use plant linked with the mine for a financial year shall be the actual quantity of coal or lignite consumed in the said plant in that financial year or a part thereof.

Explanation 2.- For the purpose of this rule, quantity of coal or lignite produced, sold, utilised in linked end-use plant and the payment of additional amount on the quantity sold shall be assessed on run-of-mine basis.

Explanation 3.- Sale of any tailings, rejects or middlings shall not be restricted by this rule.

(2) For the quantity of coal or lignite sold in accordance with sub-section (5) of section 8, the lessee shall pay to the State Government, at the time of payment of royalty, an additional amount as specified in the Sixth Schedule of the Act, which shall be in addition to royalty or payment to the District Mineral Foundation and National Mineral Exploration Trust or any other statutory payment or payment specified in the tender document or the auction premium, wherever applicable.

(3) Within one month of the end of a financial year, for sale made in the previous financial year, the lessee shall submit to the Nominated Authority, Ministry of Coal, Coal Controller’s Organisation and to the State Government, a self-declaration in Form R.

(4) Sale of coal shall not be allowed from the coal mines allotted to a company or corporation that has been awarded a power project on the basis of competitive bid for tariff (including Ultra Mega Power Projects).”

Explanation.- For the purpose of this rule, it is clarified that the provision for sale of coal or lignite as prescribed in this rule shall not affect the eligibility conditions and efficiency parameters prescribed in the respective agreements entered into by the lessee with the Central Government.

5. In the principal rules, for rule 28, the following rule shall be substituted, namely:-

“28. Lapsing of Leases.— (1) Where production and dispatch has not commenced within a period of two years from the date of execution of the mining lease or is discontinued for a continuous period of two years after commencement of production or dispatch, the mining lease shall lapse on the expiry of the period of two years from the date of execution of the lease or as the case may be, discontinuance of the production and dispatch.

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

(3) Where a lessee is unable to commence the production and dispatch within a period of two years from the date of execution of the mining lease or discontinuation of production and dispatch for reasons beyond his control, he may submit an application to the State Government, requesting for an extension of such period of two years by a further period not exceeding one year, explaining the reasons for the same, at least three months before the expiry of such period of two years:

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

(4) Application made under sub-rule (3) shall specify—

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

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

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

Provided that such mining lease shall lapse on failure to undertake production and dispatch or inability to continue production and dispatch within the extended period of one year:

Provided further that such extension shall not be granted for more than once during the entire period of lease.

(7) The State Government shall communicate to the Coal Controller's Organisation, Nominated Authority and Ministry of Coal the order recorded under sub-rule (2) or issued under sub-rule (6) within fifteen days of recording or issuing of such order.”.

6. In the principal rules, rule 28A shall be omitted.

7. In the principal rules, for rule 64B, the following rule shall be substituted, namely:-

“64B. Charging and instance of payment of royalty in case of minerals subjected to processing.— The royalty shall be charged on run-of-mine coal or lignite irrespective of its processing within or outside the leased area:

Provided that the royalty shall be payable at the time of dispatch from or consumption within the leased area.”.

8. In the principal rules, rule 64C shall be omitted.

9. In the principal rules, in Schedule I, after Form Q, the following Form shall be inserted, namely:-

“Form R
(Rule 27A (3))
Self-declaration

For the financial year 1st April 20 _____ to 31st March 20 _____
ANNUAL RETURN

To

- (i) The Nominated Authority
Ministry of Coal
Shastri Bhawan, New Delhi
- (ii) The Coal Controller
Office of the Coal Controller’s Organisation
1, Council House Street,
Lal Dighi, BBD Bagh
Kolkata, West Bengal-700001
- (iii) State Government

(PRODUCTION, DISPATCHES AND STOCKS OF COAL/LIGNITE)
(Unit of Quantity in Tonnes)

1. Details of Mine:

(a)	Registration number allotted by Indian Bureau of Mines (to give registration number of the Lessee-Owner)	
(b)	Mine Code (allotted by Indian Bureau of Mines)	
(c)	Name of the Mineral (Coal OR Lignite):	
(d)	Name of Mine	

2. Location of the Mine:

Village	
Post Office	
Tahsil-Taluk	
District	
State	
PIN Code	
Fax No:	E-mail:
Phone No:	Mobile:

3. Name and address of Lessee-Owner (along with fax no. and e-mail):

(a)	Name of Lessee-Owner	
(b)	Address	
(c)	District	
(d)	State	
(e)	PIN Code	

(f)	Fax No.:	E-mail:
(g)	Phone No:	Mobile:
(h)	Registered Office of the Lessee	
(i)	Director in-charge	
(j)	Agent:	
(k)	Manager:	

4. Yearly Grade-wise Production, EUP Requirement, EUP Utilisation, Sale etc.

Lignite/ Grades of coal	Opening stock at pit-head (Carried Forward)	Production	EUP Requirement	EUP Utilisation	Quantity Sold	Closing stock at pit-head
Grand Total:						

5. Sales- Dispatches effected for Domestic Purposes and for Exports:

Lignite/Grade of coal	Nature of Dispatch (Indicate whether Domestic Sale or Domestic Transfer or Captive consumption or Export)	For Domestic Purposes				For export		
		Registration number/ GSTN of the buyer/ consignee ##	Consignee name##	Quantity	Sale value (₹)	Country	Quantity	F.O.B Value (₹)
Grand Total:								

To indicate separately if more than one buyer.

NOTE: - Mine owners are required to substantiate domestic sale value- FOB value for each grade of coal or lignite quoted above with copy of invoices (not to be submitted with the return; to be produced whenever required).

6. Give reasons for increase-decrease in production-nil production, if any, during the year compared to the previous year.

a)

b)

7. Give reasons for increase-decrease in grade wise ex-mine price, if any, during the year compared to the previous year.

a)

b)

Place:.....

Signature.....

Date:.....

Name in Full.....

Designation: Owner/Agent/Mining Engineer/Manager”.

[F. No. 12012/2/2021-PS1]

BHABANI PRASAD PATI, Jt. Secy.

Note : The principal rules were published in the Gazette of India, Part II, Section 3, Sub-section (i) vide number G.S.R. 1398, dated the 23th November, 1960 and lastly amended vide number G.S.R 331(E) dated the 29th May, 2020.

Explanatory Memorandum

Sub-section (4) of Section 8 of the Mines and Minerals (Development and Regulation) Act, 1957 inserted through the Mines and Minerals (Development and Regulation) Amendment Act, 2021 (16 of 2021) empowers the Central Government to prescribe the period of existing mining leases and to extend the period of mining leases in case of Government companies or corporations. Accordingly, the period of existing mining leases has been prescribed in sub-rule (2) of rule 24C and the pending applications for renewal of mining leases shall be deemed to be applications for extension of period of mining lease in sub-rule (5) of rule 24C. It is certified that no person is being adversely affected by granting retrospective effect through these rules.