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Mineral Conservation and Development (Amendment) Rules, 2021

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MINISTRY OF MINES

NOTIFICATION

New Delhi, the 3rd November, 2021.

G.S.R. 780(E).—In exercise of the powers conferred by section 18 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 Conservation and Development Rules, 2017, namely:—

1. (1) These rules may be called the Mineral Conservation and Development (Amendment) Rules, 2021.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. Throughout in the Mineral Conservation and Development Rules, 2017 (hereinafter referred to as the principal rules), for the words “prospecting licence-cum-mining lease” and “prospecting license-cum-mining lease”, wherever they occur [except sub-rule (1) of rule 4], the words “composite licence” shall be substituted.
3. In the principal rules, in rule 3, after sub-rule (2), the following sub-rule shall be inserted, namely:—

“(3) Throughout these rules, wherever any power, function or responsibility of the Indian Bureau of Mines or its officers is specified or any information is to be submitted to the Indian Bureau of Mines or its officers, the same shall be deemed as power, function or responsibility of the Atomic Minerals Directorate for Exploration and Research or its officers or requirement of submission of information to the said Directorate or its officers in respect of minerals specified in Part B of the First Schedule to the Act where the grade of such atomic minerals is equal to or above the threshold value limits declared under Schedule-A of the Atomic Minerals Concession Rules, 2016, in the following manner, namely:-

 - (a) any reference to the Indian Bureau of Mines, to be deemed as reference to the Atomic Minerals Directorate for Exploration and Research;

(b) any reference to the Controller General or the Chief Controller of Mines or the Controller of Mines or the Regional Controller or the authorised officer of Indian Bureau of Mines, to be deemed as reference to the Director or as the case may be, the authorised officer of Atomic Minerals Directorate for Exploration and Research.”.

4. In the principal rules, in rule 4, in sub-rule (1), for the words “prospecting licence-cum-mining lease” the words “composite licence or the preferred bidder selected for grant of composite licence” shall be substituted.

5. In the principal rules, in sub-rule (1) and sub-rule (2) of rule 5, the words “and Regional Controller” shall be omitted.

6. In the principal rules, in rule 6, for the words “the Controller General and Regional Controller”, the words “Controller General” shall be substituted.

7. In the principal rules, in rule 9,—

(i) in sub-rule (1), for the words “from the date of execution of the relevant prospecting licence deed or the expiry of the prospecting licence or prospecting licence-cum-mining lease, whichever is earlier”, the words “from the date of execution of the relevant reconnaissance permit, prospecting licence deed or the expiry of the reconnaissance permit, prospecting licence or composite licence, whichever is earlier” shall be substituted;

(ii) in sub-rule (3), for the words “yearly report in Form B”, the words “yearly report along with Form B” shall be substituted;

(iii) in sub-rule (4), for the words “prospecting operations”, the words “reconnaissance or prospecting operations” shall be substituted;

(iv) in sub-rule (5), for the words “prospecting licence”, the words and figure “reconnaissance permit, prospecting licence” shall be substituted.

8. In the principal rules, in rule 11, in sub-rule (3), in the proviso, for the word “below”, the words “equal to or above” shall be substituted.

9. In the principal rules, in rule 12,—

(i) in sub-rule (3), after the words “under the mining lease,” the words, brackets and figures “in the manner specified in the Minerals (Evidence of Mineral Contents) Rules, 2015 or the Atomic Minerals Concession Rules, 2016, as the case may be,” shall be inserted;

(ii) for sub-rule (4), the following sub-rule shall be substituted, namely: —

“(4) In the case of existing mining leases, detailed exploration (G1 level) over the entire potentially mineralised area under the mining lease shall be carried out in the manner specified in the Minerals (Evidence of Mineral Contents) Rules, 2015 or the Atomic Minerals Concession Rules, 2016, as the case may be, within a period of five years from the date of commencement of these rules.”;

(iii) for sub-rule (4A), the following sub-rules shall be substituted, namely:—

“(4A) In case of mining leases covered under sub-section (6) of section 8A of the Act where the date of expiry of the period of such lease is on or before 31st March, 2022, the holders of such mining lease shall carry out general exploration (G2 level) over the entire mineralised area under the mining lease in the manner specified in the Minerals (Evidence of Mineral Contents) Rules, 2015 and prepare and submit to the State Government and the Indian Bureau of Mines, a Geological Study Report prepared in the manner specified in the said rules before the 31st March, 2022 or date of expiry of lease, whichever is earlier.

(4B) For the exploration done under sub-rule (3) and (4), the holder of mining lease shall submit to the State Government and the Indian Bureau of Mines, a Geological Study Report prepared in the manner specified in the Minerals (Evidence of Mineral Contents) Rules, 2015, within three months after the completion of the exploration work.

(4C) The State Government shall conduct technical audit of Geological Study Report as submitted under this rule for its verification and in case lease holder fails to perform his duties as so specified, the State Government may, after giving the lease holder an opportunity of being heard, take such action for enforcing compliance, as it deems fit.”.

10. In the principal rules, in rule 18, after the words “Controller General”, wherever they occur, the words “or the authorised officer of Indian Bureau of Mines” shall be inserted.

11. In the principal rules, in rule 24,—

(i) in sub-rule (1), after the words, “closure of the mine”, the words “or surrender of the entire or part area of the mining lease, accompanied by such fee as may be specified by the Indian Bureau of Mines” shall be inserted;

(ii) after sub-rule (2), the following sub-rule shall be inserted, namely:—

“(3) Non-submission of final mine closure plan within the period specified under sub-rule (1) will attract the forfeiture of financial assurance, or, as the case may be, performance security as applicable for a mining lease wherein the Mine Development and Production Agreement has been signed between the lessee and the State Government and performance security has been submitted.”.

12. In the principal rules, in rule 26, in sub-rule (2), after the words “before 1st day of July every year”, the words “along with annual return” shall be inserted.

13. In the principal rules, in rule 27, in sub-rule (1),—

(i) for the words and letters “three lakh rupees for Category ‘A’ mines and two lakh rupees for Category ‘B’ mines”, the words and letters “five lakh rupees for Category ‘A’ mines and three lakh rupees for Category ‘B’ mines” shall be substituted;

(ii) for the second proviso, the following proviso shall be substituted, namely:—

“Provided further that the provisions of sub-rule (1) shall not be applicable for a mining lease wherein the Mine Development and Production Agreement has been signed between the lessee and the State Government and performance security has been submitted.”.

14. In the principal rules, in rule 31,—

(i) in sub-rule (1), in clause (b), for the words “the letter”, the word “observation” shall be substituted;

(ii) in sub-rule (4), for the words “within three months”, the words “showing also the respective proposal of approved mining plan for various activities pertaining to that year, within three months” shall be inserted.

15. In the principal rules, in rule 32, in sub-rule (1), in clause (a), for the words “grazing land and subsidence on the surface beneficiation plants”, the words “grazing land, surface benefications plants” shall be substituted.

16. In the principal rules, in rule 33, after the words “maintained under rule 32”, the words “alongwith the annual return” shall be inserted.

17. In the principal rules, in rule 34, after sub-rule (1), the following sub-rule shall be inserted, namely:—

“(1A) All plans and sections shall be prepared by using a combination of Differential Global Positioning System (DGPS) or Total Station or by the use of drone survey or as may be specified in this regard by the Indian Bureau of Mines in relation to certain or all category of leases.”.

18. In the principal rules, after rule 34, the following rule shall be inserted, namely:—

“34A. Digital aerial images of mining lease area.— (1) Every lessee having—

- (a) an annual excavation plan of one million tonne or more in a particular year; or
- (b) leased area of fifty hectare or more,

shall carry out a drone survey of the leased area and upto hundred metres outside the lease boundary in the month of April or May every year and submit the processed output [digital elevation model (DEM) and Orthomosaic] images obtained from such survey or any other format

as may be specified by the Indian Bureau of Mines in this regard to the Controller General on or before 1st day of July every year.

(2) Every lessee, other than those covered under sub-rule (1), shall submit soft copy of high resolution Georeferenced Ortho-rectified Multispectral satellite images of the leased area and upto hundred metres outside the lease boundary taken in the month of April to June of every year, to the Controller General on or before 1st day of July of the that year in the standards formats such as GeoTIFF along with metadata or any other format as may be specified by the Indian Bureau of Mines in this regard:

Provided that the lessee who has submitted images under sub-rule (3) shall not be required to submit the images under this sub-rule for the year in which images are submitted under sub-rule (3).

(3) Every lessee shall carry out a drone survey of his leased area and upto hundred metres outside the lease boundary within six months before submission of any mining plan document or modification thereto to the Indian Bureau of Mines for approval and shall submit processed output [digital elevation model (DEM) and Orthomosaic] images obtained from such survey or any other format as may be specified by the Indian Bureau of Mines in this regard to the concerned Regional Controller of Mines and the Controller General along with the application for approval or modification of mining plan:

Provided that the lessee who has submitted the images under sub-rule (1) on or before the 1st day of July falling immediately before submission of mining plan document, shall not be required to submit the same under sub-rule (3).

(4) All preferred bidders who are issued with a letter of intent for grant of a mining lease shall carry out a drone survey of the mining block granted through auction and upto hundred metres outside the block boundary and submit the processed output [digital elevation model (DEM) and Orthomosaic] images obtained from such survey or any other format as may be specified by the Indian Bureau of Mines in this regard along with the mining plan to the Regional Controller and the Controller General.

(5) The standard operating procedure for carrying out the drone survey and form of the data to be submitted shall be specified by the Indian Bureau of Mines from time to time:

Provided that the Indian Bureau of Mines may specify any alternate mechanism for survey and submission of data or images other than the mechanism specified in sub-rules (1) to (4), in case of any restriction on use of drones under any law for the time being in force regulating the use of drones.”.

19. In the principal rules, in rule 35,—

(i) for sub-rule (2), the following sub-rule shall be substituted, namely:—

“(2) Every holder of a mining lease shall monitor his mining and allied activities as per the template of star rating in the format specified in this behalf by the Indian Bureau of Mines from time to time, and shall submit online its self-assessment report before the 1st day of July every year for the previous financial year, alongwith the digital images of mining lease area under rule 34A, to the Regional Controller or the authorised officer of the Indian Bureau of Mines:

Provided that those mining lease holders who do not fill and submit the template as specified shall be deemed self-assessed star rating below the qualifying star rating as provided under sub-rule (4) and action shall be initiated accordingly.”;

(ii) for sub-rule (4), the following sub-rules shall be substituted, namely:—

“(4) Every holder of a mining lease shall achieve at least three-star rating within a period of four years with effect from the 27th February, 2017 or four years from the date of commencement of mining operations, as the case may be, and thereafter maintain the same on year- on- year basis.

(4A) The Regional Controller or the authorised officer of the Indian Bureau of Mines may suspend the mining operations in those mines where,—

- (a) at least three-star rating has not been achieved within a period of four years with effect from the 27th February, 2017 or four years from the date of commencement of mining operations, as the case may be, or
- (b) at least three-star rating has not been maintained on year-on-year basis, or
- (c) where the lessee has failed to submit the star rating template,

after giving a show cause notice of forty-five days to qualify for star rating or submit star rating template, as the case may be.

(4B) In case of non-filing of template as stated in sub-rule (2), the holder of mining lease shall be liable to pay an amount of ten thousand rupees per day for such delay to the authorised officer of the Indian Bureau of Mines.”;

(iii) in sub-rule (5), for the words, brackets and figures “sub-rules (3), (4) and (5)”, the words, brackets and figures “sub-rules (3), (4), (4A), (4B) and (5)” shall be substituted.

20. In the principal rules, in rule 45,—

(i) in sub-rules (1), (2) and (4), for the words “mining lease”, wherever they occur, the words “mineral concession” shall be substituted;

(ii) in sub-rules (1), (2), (4), (6), (7), (9), (11) and (12), for the word “export”, wherever they occur, the words “export or import” shall be substituted;

(iii) in sub-rule (1), the words “mines in the country” shall be omitted;

(iv) in sub-rule (2), for the words and figure “registration of the lease deed”, the words “grant or registration of the permit, licence or lease deed, as the case may be,” shall be substituted;

(v) in sub-rule (5),—

(a) for the word “Regional Controller or any other authorised official”, the words “Regional Controller and the authorised officer” shall be substituted;

(b) clause (a) shall be omitted;

(vi) in sub-rule (7),—

(a) the words “daily or” shall be omitted;

(b) in clause (a), for the words “may advise the State Government to” the words “or the authorised officer of the State Government may” shall be substituted; and after the words “all mining operations”, the words “and dispatches” shall be inserted;

(c) in clause (c), the proviso shall be omitted;

(vii) after sub-rule (7), the following sub-rule shall be inserted, namely:—

“(7A) (i) Before taking any action specified under sub-rule (7), the relevant authority shall issue a show cause notice to the holder of a mining lease or the person or company, as the case may be, informing about the violation made under sub-rule (7) and asking reasons as to why action under sub-rule (7) shall not be taken against such holder, person or company and shall give thirty days time for reply and rectification of the violation stated in such notice;

(ii) if such holder, person or company,—

(a) rectifies the violation stated in the show cause notice and deposit within the said period of thirty days, such amount as specified in Schedule II for the period from due date of submission of return till the date of rectification of violation, no further action shall be taken;

(b) does not provide satisfactory reply or rectify the violation within the said period of thirty days, the mining operations and dispatches may be suspended and any action under sub-rule (7) may be initiated;

(iii) the suspension of mining operations may be revoked only after the rectification of violation as indicated in the violation-cum-show cause notice and after deposition of such amount as specified

in Schedule II for the period from due date of submission of return till the date of rectification of violation.”.

21. In the principal rules, for rule 49, the following rule shall be substituted, namely:—

“49. Change in name of mine to be intimated.— The State Government may, on its own or on receipt of an application from the lessee, change the name of a mine and upon such change it shall intimate the same to the lessee and Regional Controller within thirty days of such change.”.

22. In the principal rules, in rule 55,—

(i) in sub-rule (1),—

(a) for clause 3, the following clause shall be substituted, namely: —

“3. every holder of a mining lease shall employ, in case of—

- (i) category ‘A’ mines having leased area equal to or above twenty-five hectares, a whole-time mining engineer and a geologist;
- (ii) category ‘A’ mines having lease area below twenty-five hectares and category ‘B’ mines, a part-time mining engineer and a part-time geologist:

Provided that in the case of fully mechanised category ‘A’ mines, the mining engineers and geologist shall have minimum five years of professional experience of working in a supervisory capacity in the field of mining.”;

(b) after clause 3, the following clause shall be inserted, namely: —

“4. Notice of such appointment or termination shall be intimated in the monthly and annual return to be submitted under rule 45.”;

(ii) in sub-rule (6),—

(a) for the paragraph opening with the words “Mining Engineer: A degree in Mining” and ending with the words “or any equivalent qualification.”, the following paragraphs shall be substituted, namely:—

“Full time Mining Engineer: A degree in Mining Engineering granted by a University established or incorporated by or under a Central Act, a Provincial Act or a State Act, including any institution recognised by the University Grants Commission established under section 4 of the University Grants Commission Act, 1956 (3 of 1956) or any equivalent qualification or diploma in mining and mine surveying granted by a duly recognised institute along with a second class certificate of competency issued by the Director General of Mines Safety.

Part time Mining Engineer: A degree in Mining Engineering granted by a University established or incorporated by or under a Central Act, a Provincial Act or a State Act, including any institution recognised by the University Grants Commission established under section 4 of the University Grants Commission Act, 1956 (3 of 1956) or any equivalent qualification or diploma in mining and mine surveying granted by a duly recognised institute along with a second class certificate of competency or a foreman certificate of competency issued by the Director General of Mines Safety.”.

23. In the principal rules, for rule 62, the following rule shall be substituted, namely:—

“62. Penalty.— (1) Any contravention of rules 4 to 9, sub-rule (1), (2) and (3) of rule 11, 13 to 17, 21, 24, 26, 27, 30, 32 to 42, 44, 45, 47, 48, 50, 52 to 54, 58, 60, 63, 67 and 72 shall be punishable with imprisonment for a term which may extend to two years or with fine which may extend to rupees five lakhs, or with both, and in the case of a continuing contravention, with

additional fine which may extend to rupees fifty thousand for every day during which such contravention continues after conviction for the first such contravention.

(2) Any contravention of sub-rule (4) of rule 11, rules 12, 18, 19, 20, 23, 28, 29, 46, 51 and 55 shall be punishable with fine for an amount as specified in Schedule III.

(3) Any offence punishable under these rules may either before or after the institution of the prosecution, be compounded by the person authorised under section 22 of the Act 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 specified in this regard by the Controller General or the Director, Atomic Minerals Directorate for Exploration and Research, in respect of minerals specified in Part B of the First Schedule to the Act where the grade of such atomic minerals is equal to or above the threshold value limits declared under Schedule-A of the Atomic Minerals Concession Rules, 2016, as the case may be:

Provided that in case of an offence punishable with fine only, such sum shall not exceed the maximum amount of fine which may be imposed for that offence:

Provided further that where an offence is compounded under these rules, no proceeding or further proceeding, as the case may be, shall be made against the offender in respect of the offence so compounded, and the offender, if in custody, shall be released forthwith.”.

24. In the principal rules, for rule 71, the following rule shall be substituted, namely:—

“71. Review of format, templates and manuals.— The Indian Bureau of Mines or the Director, Atomic Minerals Directorate for Exploration and Research, as the case may be, may revise or update, at such interval as considered appropriate, after consultation with stakeholders, the formats of the scheme of reconnaissance, scheme of prospecting, mining plan, mine closure plan and the templates for Star Rating of mines provided by it.”.

25. In the principal rules, after rule 71, the following rule shall be inserted, namely:—

“71A. Day of completion of any requirement.— When the day of completion of any requirement under these rules is falling due on a public holiday, the day of completion shall be deemed to be due on the next working day.

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

26. In the principal rules, the Schedule shall be numbered as Schedule-I and after Schedule-I as so numbered, —

(i) in Form K, for the word, “export”, wherever it occurs, the words “export or import” shall be substituted;

(ii) after Schedule-I, the following Schedules shall be inserted, namely: —

“SCHEDULE-II

[see rule 45(7A)]

AMOUNT TO BE PAID IN CASE OF VIOLATION UNDER RULE 45

Item	Amount (in Rs.)	Explanation
(1)	(2)	(3)
Non-submission or incomplete/ wrong/ false information in monthly returns in Form F1, F2, F3; by the due date	Rs 10,000/- per day after due date of submission of return as specified in the Rule till rectification of violation	In case of referred back returns by Indian Bureau of Mines for incorporating necessary corrections, to be undertaken by the lease holder, and if corrected within the allotted time limit and accepted thereafter by the
Non-submission or incomplete/ wrong/ false information in annual returns in Form G1, G2, G3; by the due date	Rs 10,000/- per day after due date of submission of return as specified in the Rule till rectification of violation	

Non-submission or incomplete/ wrong/ false information in monthly returns in Form L; by the due date	Rs 5,000/- per day after due date of submission of return as prescribed in the Rule till rectification of violation	Indian Bureau of Mines, no amount will be payable for the intervening period for such corrections. Failure to rectify in such cases will attract the payment as specified.
Non-submission or incomplete/ wrong/ false information in annual returns in Form M; by the due date	Rs 5,000/- per day after due date of submission of return as prescribed in the Rule till rectification of violation	

Schedule III

[see rule 62(2)]

Rules whose contravention shall be punishable with fine

Rule No.	Marginal heading of the Rule	Amount of Fine (in Rs.)
(1)	(2)	(3)
Sub-rule (4) of rule 11	Mining operations under mining lease	2,000/- per day, subject to maximum 5,00,000/-
12	Prospecting and mining operations	5,00,000/-
18	Beneficiation studies to be carried out	5,00,000/-
19	Machinery and plant	5,00,000/-
20	Notice for opening of mine	5,00,000/-
23	Submission of progressive mine closure plan	5,00,000/-
28	Notice of temporary discontinuance of work in mines and obligations of lease holders.	5,00,000/-
29	Intimation of reopening of a mine	5,00,000/-
46	Notice of certain appointments	2,000/- per day, subject to maximum 1,00,000/-
51	Notice of amalgamation of mining lease	Rs 2,000/- per day after due date as prescribed in the Rule, subject to maximum 1,00,000/-
55	Employment of geologists and mining engineers	5,00,000/- ”.

[F. No. M.VI-8/1/2021-Mines VI]

Dr. VEENA KUMARI DERMAL, 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. 169(E), dated the 27th February, 2017 and lastly amended *vide* number G.S.R. 570(E), dated 13th August, 2019.