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Mines and Minerals (Development and Regulation) Bill, 2010

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PRELIMINARY

1. (1) This Act may be called the Mines and Minerals (Development and Regulation) Act, 2010.

(2) It extends to the whole of India

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

2. 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. In this Act, unless the context otherwise requires,-

(a) “atomic minerals” means the minerals specified in Part ‘B’ of the First Schedule;

(b) “Atomic Minerals Directorate” means the Atomic Minerals Directorate for Exploration and Research, Hyderabad, under the control of the Department of Atomic Energy, Central Government;

(c) “cess” means,-

(i) a duty in the nature of duty of excise and customs levied and collected on major minerals by the Central Government;

(ii) a duty on royalty levied and collected on major and minor minerals by the State Government,

for the purposes of this Act,

(d) “coal minerals” means the minerals specified in Part ‘A’ of the First Schedule;

(e) “detailed exploration” means a detailed three-dimensional delineation of a known deposit achieved through close spaced sampling, pitting, trenching and drilling in a grid, and includes an analysis of outcrops, trenches, boreholes, shafts and tunnels, so that the size, shape, structure, grade of the deposit are established with high degree of accuracy, in order to conduct a feasibility study;

- (f) “feasibility study” means the report prepared after conducting a study of a mineral deposit in accordance with the United Nations Framework Classification System, assessing in detail the technical soundness and economic viability of a mining project, including an audit of all geological, engineering, environmental, legal and economic information accumulated on the project;
- (g) “forest area” means any area to which the provisions of the Forest (Conservation) Act, 1980, is applicable;
- (h) “general exploration” means the process of initial delineation of an identified deposit in an area using surface mapping, wide spaced sampling, trenching and drilling for preliminary evaluation of mineral quantity and quality, including mineralogical tests on laboratory scale, and any indirect method of mineral investigation, in order to conduct a pre-feasibility study and further detailed exploration;
- (i) “large area prospecting licence” means a licence granted under this Act for reconnaissance and prospecting, including general and detailed exploration;
- (j) “licence” means the licence granted for the purposes of reconnaissance or prospecting or large area prospecting;
- (k) “major minerals” means the minerals specified in the First Schedule;
- (l) “mineral concession” means a reconnaissance licence, a large area prospecting licence, a prospecting licence, or a mining lease in respect of major minerals, and minor minerals and includes quarrying permits and any other mineral concessions permitting the mining of minor minerals in accordance with such rules as may be made by the State Government in this behalf;
- (m) “mining lease” means a lease granted by the competent authority for the purpose of undertaking mining operations, in accordance with provisions of this Act, and in respect of minor minerals, shall include quarrying permits and other mineral concessions permitting the mining of minor minerals, in accordance with such rules as may be made by the State Government;
- (n) ‘minor minerals’ means the minerals other than the major minerals notified as such by the Central Government in consultation with the State Government;
- (o) “National Mining Tribunal” means the National Mining Tribunal established under section 55;
- (p) “notification” means a notification published in the Official Gazette and the expression “notify” shall be construed accordingly;

- (q) “prescribed” means prescribed by the rules made under this Act;
- (r) “prospecting” means the systematic process of searching for a mineral deposit by narrowing down an area of promising enhanced mineral potential through outcrop identification, geological mapping, geophysical and geochemical studies, trenching, drilling, sampling in order to facilitate general and detailed exploration;
- (s) “prospecting licence” means a licence granted under the provisions of this Act to conduct prospecting, general exploration and detailed exploration operations, and includes a licence granted for the purpose of large area prospecting ;
- (t) “prospecting report” means a report containing all relevant information on a mineral in an area on the basis of results of prospecting, general exploration and detailed exploration giving details of ore bodies in terms of size, shape, grade, quantity of mineralisation and geological assessment represented by codes in United Nations Framework Classification System, including baseline and geo-environmental study data;
- (u) “reconnaissance” means a systematic study to identify areas of enhanced mineral potential on a regional scale based primarily on the results of regional geological, geophysical and geochemical studies through remote sensing, aerial and ground sampling surveys including, preliminary field inspections, in order to facilitate further investigation for deposit identification;
- (v) “reconnaissance licence” means a licence to conduct a systematic study for identifying areas of enhanced mineral potential through reconnaissance on regional scale;
- (w) “reconnaissance report” means a report containing all relevant information on mineral occurrences in an area of enhanced mineral potential on regional scale obtained through reconnaissance;
- (x) “Schedules” means the Schedules appended to this Act;
- (y) “Special Courts” means the Special Courts constituted under section 85 of this Act;
- (z) “State Directorate” means the Directorate of Mining and Geology (by whatever name called) of the State Government headed by a Director (or any other designation of this nature) responsible for regulation of mining activities within the State;
- (za) “State Mining Tribunal” means the State Mining Tribunal established under section 69;

(zb) “sustainable development framework” means the National sustainable development framework or a State sustainable development framework prepared in accordance with the provisions of section 45;

(zc) the expressions “agent”, “manager”, “mine” and “owner” shall have the meanings respectively assigned to them in the Mines Act, 1952;

GENERAL RESTRICTIONS ON MINERAL CONCESSIONS

4. (1) Save as otherwise provided in this Act, no person shall undertake any reconnaissance, prospecting, general exploration, detailed exploration or mining in respect of any major or minor minerals except under a reconnaissance licence, large area prospecting licence, prospecting licence or mining lease in case of a major minerals or any other mineral concession, in case of minor minerals, as the case may be, granted in accordance with the provisions of this Act and the rules made thereunder:

Provided that nothing in this sub-section shall affect any reconnaissance, prospecting, general exploration, detailed exploration or mining operation undertaken in any area in accordance with the terms and conditions of a reconnaissance permit, prospecting licence or mining lease granted before the commencement of this Act:

Provided further that nothing in this sub-section shall apply to any mining lease (whether called mining lease, mining mineral concession or by any other name) in force immediately before the commencement of the Mines and Minerals (Development and Regulation) Act, 1957 in the Union territory of Goa, Daman and Diu.

(2) No licence shall be necessary in respect of a reconnaissance or prospecting operations undertaken by the Geological Survey of India, the Atomic Minerals Directorate, the Mineral Exploration Corporation Limited and the Central Mine Planning and Design Institute Limited being a Government company within the meaning of section 617 of the Companies Act, 1956 or the Directorate of Mining and Geology (by whatever name called) of any State Government and such other Government agencies, as may be notified by the Central Government from time to time in respect of any land where rights on minerals vest in the State Government:

Provided that all such operations shall be notified by the State Government and may be undertaken for a period not exceeding three years in respect of

reconnaissance and six years in respect of prospecting, as may be specified in such notification:

Provided further that no such reconnaissance or prospecting shall be undertaken in an area for which a licence or mining lease has been granted or for which application for a grant of licence or mining lease is pending.

Explanation.- For the purposes of this sub-section, in respect of the Mineral Exploration Corporation Limited, the Central Mine Planning and Design Institute Limited and the other Government agencies as may be notified under this sub-section, the provisions of this sub-section shall apply with respect to promotional work undertaken on behalf of the Central Government or the State Government, as the case may be .

(3) No person shall be entitled to make any application for mineral concession in the area covered by the notification during the period specified in the notification issued under sub-section (2), and on expiry of the said period 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.

(4) In respect of land on which prospecting operations are conducted in accordance with the provisions of sub section (2), before the expiry of the period specified in the notification issued by the State Government, the Central Government in case of coal minerals, and the State Government in case of all other minerals, may by notification set aside the entire land or any portion of the land for a period not exceeding three years for grant of mineral concession under section 13 and no application for grant of any mineral concession shall lie, except in accordance with a notification issued under sub-section(1) or sub-section(4) of section 13 of this Act, as the case may be.

(5) No mineral concession shall be granted except on an application made to the State Government alongwith the application fee and earnest money, in such form and manner as may be prescribed:

Provided that the application for grant of mineral concession shall not be entertained by the State Government for a period of one year from the date of commencement of this Act and such application is deemed to have never been made:

Provided further that the provisions of this sub-section shall not be applicable in case of applications for grant of mineral concession pending with the State Government at the time of commencement of this Act.

(6) In case a person submits his application for grant of mineral concession in respect of major as well as minor minerals in the same area, the application shall be considered for all the minerals applied for in accordance with the provisions of this Act applicable to major minerals:

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

(8) Notwithstanding anything contained in this Act, no lease shall be necessary in respect of mining of atomic minerals undertaken by the Atomic Minerals Directorate or such other Government agencies as may be notified by the Central Government from time to time.

(9) In any reconnaissance or prospecting operations undertaken by the Geological Survey of India, the Atomic Minerals Directorate, the Mineral Exploration Corporation Limited, the Central Mine Planning and Design Institute Limited and such other Government agencies, in accordance with the provisions of sub-section (2), such agency conducting the reconnaissance or prospecting operations shall submit a report of the reconnaissance or prospecting operations to the State Government in such manner as may be prescribed to enable the State Government to notify the area under section 13 for prospecting or mining, as the case may be.

5. (1) No person shall be eligible for grant of a mineral concession unless such person is an Indian National or a company as defined in sub-section (1) of section 3 of the Companies Act, 1956, or a firm registered under the Indian Partnership Act, 1932 and has registered himself with the Indian Bureau of Mines or the State Directorate or any other agency authorised by a notification issued by the Central Government, in such manner, as may be prescribed:

Provided that for the purposes of small deposits in any area referred to in sub-section (6) of section 6, a cooperative society registered with the State Government under the law made by it and registered in accordance with the provisions of sub-section (2) shall be eligible for grant of a mineral concession:

Provided further that in respect of an application for grant or renewal of a mineral concession pending with the State Governments at the commencement of this

Act, the applicant of such application shall be given a reasonable opportunity to register with the Indian Bureau of Mines or the State Directorate as the case may be, within such time as may be notified and such application shall not be rejected solely on the ground of non-registration with the Indian Bureau of Mines or the State Directorate, as the case may be.

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, if all the members of the firm or members of the association are citizens of India; and
- (b) in the case of an individual, if he is a citizen of India.

(2) Subject to any notification issued under sub-section(1), the registration process in respect of mineral concessions for,-

- (a) major minerals shall be administered by the
Indian Bureau of Mines;
- (b) minor minerals shall be administered by the State
Directorate.

(3) No person shall be eligible for grant of a mineral concession if he contravenes any of the provisions of this Act or the rules made thereunder, which renders him ineligible for grant of a mineral concession.

6 (1) The maximum area which can be held under mineral mineral concession at any time by a person in respect of any mineral or prescribed group of associated minerals in a State shall be,-

- (a) ten thousand square kilometers in respect of reconnaissance licences;
- (b) five thousand square kilometers in respect of large area prospecting licences;
- (c) five hundred square kilometers in respect of prospecting licences; and
- (d) one hundred square kilometers in respect of mining leases:

Provided that a large area prospecting licence shall be granted for such group of associated minerals as may be prescribed by the Central Government, and subject to such general conditions regarding use of advanced technologies and methodologies as may be notified from time to time by the Central Government:

Provided further that in case of coal minerals, if the Central Government is of the opinion that in the interest of development of coal minerals, it is necessary so to do, it may, for reasons to be recorded in writing, permit any person to acquire one or more prospecting licence or mining lease covering an area in excess of the maximum area specified in sub-section (1).

(2) In respect of major minerals, the minimum area for grant of,-

- (a) a large area prospecting licence shall be five hundred square kilometres;
- (b) a prospecting licence shall be one square kilometer; and
- (c) a mining lease shall be ten hectares.

(3) In respect of minor minerals the minimum area for grant of,-

- (a) a prospecting licence shall be ten hectares; and
- (b) a mining lease shall be five hectares:

Provided that the State Government in consultation with the Ministry of Environment and Forest in the Central Government for the reasons to be recorded in writing may, in respect of any area and any minor mineral, notify a minimum area other than the area specified in this sub-section.

Explanation.- For the purposes of sub-sections (1), (2) and (3), the area held by a person as a member of a co-operative society, company or other corporation and a Hindu Undivided Family and a partner of a firm or as an individual shall be jointly computed.

(4) Notwithstanding anything contained in sub-sections (2) and (3), a person holding a prospecting licence or a mining lease shall be entitled to be considered for a prospecting licence for the same mineral for an area lower than the minimum area referred to in sub-section (2) or sub-section (3), as the case may be, in an area contiguous to the area already held under the licence or lease, as the case may be.

(5) The holder of a reconnaissance licence, large area prospecting licence, and prospecting licence shall surrender area out of such licence or leases annually, as may be specified in the licence, in the manner prescribed by the Central Government so that at the end of the last year after the commencement of operations 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 not to exceed the

maximum eligibility of the licence holder for a mining lease in accordance with the provisions of sub-section (1).

(6) No mining lease shall be granted in respect of any area which is not compact and contiguous or otherwise not suitable to scientific development:

Provided that in respect of small deposits not suitable to scientific mining in isolated patches, a mining lease may be granted for a cluster of such deposits within a defined area of not less than the area specified in sub-section (2) or sub-section (3), as the case may be, in accordance with such procedure and subject to such conditions as may be prescribed by the Central Government.

(7) In case of the Scheduled area specified in the Fifth Schedule of the Constitution and the tribal area specified in the Sixth Schedule of the Constitution, the State Government may, by notification, give preference as may be specified in the notification in grant of mineral concessions on an area referred to in sub-section (6) to a Co-operative of the Scheduled Tribes.

(8) Any rule made by the State Governments for minor minerals shall be in accordance with the provisions of sub-sections (1) to (7).

7. (1) A reconnaissance licence shall be granted for a period of not less than one year and not more than three years.

(2) A large area prospecting licence shall be granted for a period of not less than three years and not more than six years:

Provided that the period may be extended, on an application made by the licensee for a further period not exceeding two years in respect of such part of the area as may be specified in the licence.

(3) A prospecting licence shall be granted for a period of not less than two years and not more than three years:

Provided that the period may be extended on an application made by the licensee in respect of such part of area as may be specified in the licence for a further period of not exceeding two years:

Provided further that in case the licensee has obtained the prospecting licence after completion of reconnaissance operations, the total time granted to the licensee and his predecessor-in-interest for reconnaissance operations and prospecting operations shall not exceed eight years.

(4) A mining lease for a major mineral shall be granted for a period of not less than twenty years and not more than thirty years:

Provided that in an area which is already held under a mining lease and a new mineral is found in such area, the period of mining lease granted for such new mineral shall be co-terminus with the period of the existing mining lease:

Provided further that in the interest of mineral development, 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 co-terminus with the period of lease which expires later.

(5) A mining lease for a minor mineral shall be granted for a period not less than five years and may be extended for such period as may be notified by the State Government:

Provided that different periods may be specified for different minerals having regard to the nature and manner of occurrence of mineral deposits.

(6) A mining lease may be extended, on an application made by the lessee, in respect of such part of the area as may be specified in the licence and for such period not exceeding twenty years at a time, 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 in the prescribed manner, a fresh mining plan for the area for which the lease is sought to be extended.

8(1). In respect of any land in which the minerals vest in the Government (other than in respect of lands reserved under the provisions of Chapter VII),-

(a) the State Government shall grant reconnaissance licence, large area prospecting licence, prospecting licence and mining lease and extend the large area prospecting licence, prospecting licence and mining lease in accordance with the provisions of this Act and the rules made thereunder:

Provided that in respect of minor minerals, the State Government may, by notification, restrict the grant of licence to such types of mineral concessions as are appropriate having regard to the nature of occurrence of the minor mineral:

Provided further that a reconnaissance licence, large area prospecting licence, prospecting licence and mining lease in respect of coal minerals, atomic minerals and

beach sand minerals shall be granted and extended by the State Government with the prior approval of the Central Government.

(2) Every person, granted a licence or lease, as the case may be, under sub-section (1), shall deposit such sum as security deposit as may be specified by the Central Government.

(3) A reconnaissance licence shall not be issued in respect of any area held under a large area prospecting licence or a prospecting licence or a mining lease.

(4) A prospecting licence shall not be issued in an area held under large area prospecting licence and vice-versa.

(5) A large area prospecting licence or a prospecting licence shall not be issued in respect of an area held under a mining lease.

(6) A reconnaissance licence, large area prospecting licence, prospecting licence or mining lease for coal minerals shall be granted by the State Government to a company approved by the Central Government on such terms and conditions as may be prescribed and such licence or lease be granted through competitive bidding and auction in such manner as may be prescribed:

Provided that the provisions of this sub-section 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 which has been awarded a power project (including Ultra Mega Power Project) on the basis of competitive bids for tariff.

(7) The reconnaissance licence, large area prospecting licence, prospecting licence and mining lease in respect of any mineral underlying the ocean within the territorial waters or the continental shelf of India shall be granted by the Central Government.

(8) The State Government, and every holder of a mineral concession, shall make available data relating to grant, extension, relinquishment, termination and plan of operations in the official website.

(9) For the purpose of this section, the onus of proving that ownership of a mineral vest in a person, other than the State Government, shall be on the person making the claim.

9. (1) Notwithstanding that a reconnaissance licensee is operating in such area, a large Area prospecting licence, prospecting licence or a mining lease may be granted on that area under the provisions of this Act.

(2) A reconnaissance licence holder who applies for a prospecting licence under sub-section (7) of section 22 shall, on grant of such licence, be entitled to get such areas vacated as may have been granted on prospecting licence to any person under sub-section (1) subsequent to the grant of the reconnaissance licence:

Provided that a person holding a large area prospecting licence or a person holding a prospecting licence granted under sub-section (7) of section 22 or a person granted a mining lease shall not be required to vacate the area.

10.(1) Notwithstanding anything contained in this Act, the holder of a prospecting licence or mining lease for a mineral other than a minor mineral may also undertake incidental prospecting or mining operations in respect of atomic minerals in the area held, subject to the fulfillment of the following conditions, namely:-

(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 mineral, 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 of the State in which the prospecting or mining operations are carried on or proposed to be 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 be sent to the Atomic Minerals Directorate every three months for such further action to be taken by the licensee or lessee, as the case may be, which may be directed by the Atomic Minerals Directorate;

(2) The licensee or lessee, as the case may be, referred to in sub-section (1) shall, within a period of sixty days from the date of discovery of atomic mineral, apply to the Secretary, Department of Atomic Energy, Mumbai, along with the recommendations of the State Government, for grant of a licence to handle the said atomic minerals in accordance with the provisions of the Atomic Energy (Radiation Protection) Rules, 2004 made under the Atomic Energy Act, 1962, and on grant of

such licence or grant of lease, to handle, the licensee or lessee, as the case maybe, may apply for inclusion of such atomic minerals in his licence or lease, as the case may be.

(3) In case of lease referred to in sub-section (2), the lessee shall remove and dispose off the atomic mineral on payment of royalty to the State Government.

(4) For obtaining a separate licence or lease for atomic minerals, the licensee or lessee, as the case may be, shall, within sixty days from the date of discovery of atomic mineral, apply to the Secretary, Department of Atomic Energy, Mumbai, along with the recommendations of the State Government, for grant of licence to handle the said atomic mineral in terms of Atomic Energy (Radiation Protection) Rules, 2004 made under the Atomic Energy Act, 1962 and no licence or lease be granted except in accordance with the conditions of such licence granted under the provisions of the Atomic Energy (Radiation Protection) Rules, 2004:

Provided that if in the opinion of the Department of Atomic Energy the atomic mineral recovered incidental to such prospecting or mining operations is not of an economically exploitable grade or the quantity found is insignificant, it shall not be necessary for the licensee or lessee to apply for inclusion of such atomic mineral in the licence or lease, as the case may be, under the Act or the rules made thereunder for the atomic minerals.

11. (1) Any mineral concession granted, extended, held or acquired in contravention of the provisions of this Act or any rules or orders made thereunder, shall be void and of no effect subject to the provisions of sub-section (2).

(2) Where a person has acquired more than one reconnaissance licence, large area prospecting licence, prospecting licence or mining lease, as the case may be, and the aggregate area covered by such licences or leases in respect of a mineral in a State, as the case may be, exceeds the maximum area permissible under section 6, only that reconnaissance licence, large area prospecting licence, prospecting

licence or mining lease the acquisition of which has resulted in such maximum area being exceeded, shall be deemed to be void.

(3) In every case where a mineral concession is void under sub-section (1), the earnest money deposited in respect of that application shall stand forfeited, and the mineral concession be granted to the next eligible applicant or notified for grant of mineral concession, as the case may be, in accordance with the provisions of the Act.

Explanation.- For the purposes of this section the area shall be notified for grant of mineral concession if it was previously notified and there is no eligible applicant or where the grant of a mineral concession under sub-section (1) of section 25 is deemed void.

12.(1) In respect of any land in which minerals vest in the Government,-

(a) 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 the manner provided in this section, the State Government may after issuing a notice to show cause and giving him an opportunity of being heard, by an order, forfeit all or any part of the security deposit and may suspend, curtail or revoke the licence or lease having regard to the circumstances of the case.

Explanation.- For the purposes of this clause the framework of mining operations in respect of minor minerals not requiring a mining plan shall be deemed to be the mining plan for purposes of this section;

(b) in every case where a part or all of the security deposit has been forfeited, the licensee or the lessee, as the case may be, shall furnish security to make up the deficiency before recommencing the operations under the licence or lease, as the case may be;

(c) without prejudice to the provisions contained in clauses (a) and (b), the State Government may also issue notice directing a person who fails to conduct reconnaissance or prospecting or mining operations in accordance with the reconnaissance plan or a prospecting or a mining plan, to show cause, and after giving

him an opportunity of being heard, by an order, declare him to be ineligible for consideration for any mineral concession in accordance with the provisions of sub-section (3) of section 20 or sub-section (3) of section 22, as the case may be, for such period, not exceeding five years, having regard to the circumstances.

(d) where at the expiry of a reconnaissance licence, large area prospecting licence or prospecting licence, the licensee fails to comply with the conditions of the licence, the State Government may, within a period of six months from the date of expiry of the licence, issue a notice asking him to show cause, and after giving him an opportunity of being heard, by an order, forfeit all or any part of the security deposit and may declare him to be ineligible for consideration for any mineral concession in accordance with the provisions of sub-section (3) of section 20 or sub-section (3) of section 22, as the case may be, for such period not exceeding five years, having regard to the circumstances.

(e) orders under this sub-section shall be made by the State Government,-

- (i) in respect of any major mineral where the Indian Bureau of Mines has approved mining plan and mine closure plans, after consultation with the Indian Bureau of Mines on technical issues pertaining to such mining plan and mine closure plan, and,
- (ii) in case of coal minerals, in consultation with the Central Government:

Provided that in case the Indian Bureau of Mines or the Central Government, as the case may be, does not express any opinion within a period of three months, the State Government may presume the concurrence of the Indian Bureau of Mines or the Central Government, as the case may be.

(2) In respect of any mineral concession relating to a land where the minerals vest with a private person, and the operations are not conducted in accordance with the reconnaissance, prospecting or mining plan, as the case may be, the State Government may, in the interest of mineral conservation and development, after giving such private person an opportunity of being heard, issue a direction to him to suspend, curtail or revoke the mineral concession and take any other action in accordance with the terms and conditions thereof.

13. (1) In respect of any land where the minerals vest in the Government, the State Government may, by notification, invite applications in the form of competitive offers for any mineral except the coal minerals for grant of,-

(a) a prospecting licence over any area where reconnaissance has been conducted and sufficient evidence of enhanced mineralisation of the specified minerals has been established; or;

(b) a large area prospecting licence over any area where survey shows that the geological potential is conducive to mineralisation of the specified minerals :

Provided that no application for a prospecting or large area prospecting licence, as the case may be, is pending relating to such area:

Provided further that applications for large area prospecting licence shall not be invited or entertained for minerals such as iron ore, bauxite, limestone, dolomite or any other mineral notified by the Central Government as a bulk mineral:

Provided also that no such notification shall be issued in respect of an area in which reconnaissance or prospecting operations was completed under a licence prior to six months from the date of notification unless the area has been relinquished.

(2) A notification issued under sub-section (1) may specify that any application received shall be considered with reference to such criteria including any of the following as per weightages assigned, as may be specified in the notification, namely:-

(a) specific knowledge and experience of prospecting possessed or accessed by the applicant;

(b) nature and quality of technical resources proposed to be employed;

(c) value addition such as mineral processing and beneficiation;

(d) end use including industries based on the mineral;

(e) provision of ore-linkage through long-term agreements with domestic industry;

(f) in the case of prospecting for iron ore, bauxite and limestone, having production capacity at the time of commencement of this Act and captive ore resources which are likely to be exhausted in the near future;

(g) in case of large area prospecting licence, the nature of the high technology and investment proposed in exploration;

(h) a financial bid quoted either as a lump sum recoverable in instalments at the time of mining or a percentage of royalty or a profit sharing of mineral production.

Explanation.- For the purposes of this section ,-

(i) the financial bid shall be to allow the State Government to recover a value for its efforts in managing the information relating to survey or regional exploration work, including computer database and samples for minerals, if such information leads to mining;

(ii) the weightage shall be numerical in character and enable a composite ranking based on numerical marks assigned for each of the criteria listed in the notification in order to determine the best offer.

(3) The applications received in accordance with the conditions specified in the notification issued under sub-sections (1) and (2) shall be considered in accordance with such criteria and weightage as specified in the notification, and the applicant obtaining the best marks as per weightages, subject to fulfilment of special conditions, if any, be granted the prospecting licence in accordance with the rules made under this Act.

Explanation.- For the purpose of this sub-section, the expression “special conditions” may relate to conditions under which a mining lease shall be granted on an application made under sub-section (3) of section 25 including, restrictions on sale of ore in the case of captive resources.

(4) In such areas where prospecting has been conducted and sufficient evidence of enhanced mineralisation has been established through a prospecting report and feasibility study, and where no application for a mining lease is pending, the State Government may by notification invite applications in the form of competitive bids for any minerals excepting coal minerals, for grant of mining lease, to the bidder who in accordance with the provisions of sub-section (5) quotes the best financial bid for the prospecting report and feasibility study for the area so notified:

Provided that no such notification shall be issued in respect of an area in which prospecting operations was completed under a licence six months prior to the date of the notification unless the area has been relinquished:

Provided further that the application for grant of mining lease through competitive bidding shall not be invited in respect of atomic minerals, and an application for grant of mining lease for atomic minerals may be considered and mining lease granted by the State Government after obtaining prior approval of the

Department of Atomic Energy in such manner as may be prescribed by the Central Government:

Provided also that before issuing the notification under this sub-section in respect of any forest or wildlife area, the State Government shall obtain, -

- (i) all forest clearances under the Forest (Conservation) Act, 1980 and wildlife clearance under the Wild Life (Protection) Act, 1972, or any other law for the time being in force, so as to enable the commencement of operations, and
- (ii) all necessary permissions from the owners of the land and those having occupation rights.

Explanation.- For the purpose of this sub-section,-

(i) a financial bid may either be a lump sum, recoverable in instalment or a percentage of royalty or a profit sharing, as may be specified in the notification, and the purpose of the financial bid for the prospecting report and feasibility study is to allow the States to recover a value for the Government efforts in acquiring and managing the information through survey and exploration work, including computer databases, and cores and samples;

(ii) the expression, “forest clearance” shall comprise conditional clearance on the basis of the recommendations of the Committee constituted for the purpose.

(5) A notification issued under sub-section (4) may specify that bids received shall be considered with reference to such criteria including any of the following, as per weightages assigned, as may be specified in such notification, namely:-

- (a) special knowledge and appropriate experience in scientific mining and mineral beneficiation;
- (b) bringing new and advanced technologies;
- (c) investments in value addition such as mineral processing and beneficiation;
- (d) setting up of industries based on the mineral, having achieved financial closure for such project;
- (e) providing ore-linkage through long-term agreements with domestic industry;
- (f) constructing transportation networks (road and rail) and other infrastructure facilities in the mineral bearing area;

(g) in the case of iron ore, bauxite and limestone, having production capacity at the time of commencement of the Act and captive ore resources which are likely to be exhausted in the near future;

(h) financial bid for the prospecting report and feasibility study for the area so notified

Explanation.- For the purpose of determination of best bid, the weightage shall be numerical in character and enable a composite ranking based on bid price and numerical marks assigned for each of criteria specified in the notification.

(6) The bids received under sub-section (4) shall be evaluated in the prescribed manner and the best bid may be issued the letter of intent for awarding the mining lease, after obtaining all necessary statutory approvals and clearances, on such conditions as may be specified having regard to the criteria stated in the notification issued under sub-section (5) and the response thereto.

(7) In respect of atomic minerals and beach sand minerals, notification inviting applications and grant of the mineral concession shall be made with the prior approval of the Central Government.

(8) In respect of coal minerals, notification for inviting and grant of mineral concessions shall be made by the Central Government in such manner as may be prescribed.

(9) In respect of grant of mineral concessions for minor minerals, notwithstanding anything in this clause, the procedure for notification and grant of mineral concessions for minor minerals shall be such as may be prescribed by the State Government:

Provided that before granting mineral concession for minor minerals in an area covered by the Fifth Schedule or the Sixth Schedule to the Constitution, the Gram Sabha or the District Council, as the case may be, shall be consulted.

(10) Notwithstanding anything contained in this section, notification of an area for inviting applications in respect of public lands in areas covered by Fifth Schedule or Sixth Schedule to the Constitution, shall be issued after consultation with the Gram Sabhas or District Councils, as the case may be, and in respect of non-scheduled areas, after consultation with the District Panchayat.

(11) The State Government shall invite and entertain applications for grant of large area prospecting licence or prospecting licence in an area relinquished by a holder of large area prospecting licence or a prospecting licence only after such area is

notified by the State Government for inviting applications for grant of large area prospecting licence or a prospecting licence under the provisions of sub-section (1) of section 22:

Provided that if the State Government does not notify such relinquished area within three months of relinquishment, any person interested may apply to the National Mining Tribunal in case of major minerals and State Mining Tribunal in case of minor minerals for notification of that area and the concerned Tribunal may direct the State Government to notify the area within such period as it may specify.

14. (1) In respect of any lands where the minerals vest in the Government, the State Government shall dispose off the applications for grant of reconnaissance licence, large area prospecting licence or prospecting licence within the following period reckoned from the date of receipt of applications, namely,

- (a) within a period of three months in respect of reconnaissance licence;
- (b) within a period of three months in respect of large area prospecting licence and prospecting license.

Explanation.- For the purposes of this clause, where applications for prospecting licences 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) The State Government shall dispose off the applications for grant of mining lease in the following manner and within the time limit specified hereunder, namely:-

- (a) a letter of intent shall be issued within three months,-
 - (i) from the opening of bids in respect of applications received under section 13;
 - (ii) from date of application in respect of applications received under section 25;

and

- (b) the mining lease shall be executed within three months of intimation by means of a written communication by the applicant after having obtained all clearances and approvals specified in the letter of intent.

(3) In any matter requiring the prior approval of the Central Government, the matter shall be disposed off by the Central Government within a period of three months, and the State Government issues a letter of intent within a period of one month from the date of such approval.

(4) Where any application or written communication is deficient in information or documentation, the State Government shall, by notice issued within sixty days of

receipt thereof, 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 fifteen days and not more than sixty days, and such period is excluded from the time limits specified in sub-sections (1) and (2).

(5) Where an applicant for mineral concession fails to furnish documents and information as required under sub-section (4) for processing the application or written communication, the State Government after issuing a notice to show cause and giving him an opportunity of being heard, may by order forfeit the earnest money and reject his application for grant of mineral concession.

(6) Where an application is not disposed off within the limit specified in sub-sections (1), (2) or (3) subject to the provisions of sub-section (4), the applicant may apply to the National Mining Tribunal in the case of major minerals and the State Mining Tribunal in case of minor minerals, for a direction to the Central Government or State Government, as the case may be, to dispose off the application within such reasonable period as may be specified.

15. On the issue of a reconnaissance licence, large area prospecting 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 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. The provisions of this Act and the rules made thereunder shall apply in relation to the extension after the commencement of this Act of any reconnaissance permit, 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.(1) A holder of a reconnaissance licence, large area prospecting licence or prospecting licence may, except in the case of coal minerals, atomic minerals and beach sand minerals, after the expiry of a notice of not less than ninety days to the State Government concerned, transfer his licence to any person eligible to hold such licence in accordance with the provisions of the Act and the rules made thereunder:

Provided that the original licensee 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:

Provided further that no such transfer shall take place if the State Government, within the period specified in the notice for reasons to be communicated in writing, disapproves the transfer on the grounds that the transferee is not eligible as per the provisions of the Act.

(2) A reconnaissance licence or large area prospecting licence or prospecting licence in respect of coal minerals, atomic minerals and beach sand minerals, shall be transferred with the prior approval of the Central Government.

(3) On transfer of the licence, all rights and liabilities of, and under, the licence shall be transferred to the successor-in-interest.

(4) Subject to the provisions of the sub-section (1), the holder of licence may transfer his rights and liabilities within a period of six months after the expiry of the mineral concession period to a person eligible under the Act to hold a licence.

(5) On transfer of rights and liabilities, the successor-in-interest shall be entitled to consideration in terms of section 22 or section 25 as the case may be, as if he was the original holder of the mineral concession.

(6) The State Government may charge such fees for transfer of the mineral concession as may be prescribed by the Central Government.

(7) Nothing contained in this section shall be deemed to enable a holder of a reconnaissance licence, large area prospecting licence or a 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 mineral concession agreement.

18.(1) The holder of a mining lease shall not, without the previous approval in writing of the State Government, and in the case of coal minerals, atomic minerals and beach sand 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 may be directly or indirectly financed to a substantial extent by, or under which the lessee's operations or undertakings may be substantially controlled by any person or body of persons other than the lessee:

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

(2) The State Government or the Central Government, as the case may be, shall not give its approval to transfer of a mining lease unless the transferee has accepted all the conditions and liabilities under any law for the time being in force to which the transferor was subject to in respect of such mining lease.

(3) No transfer of a mining lease shall be made to a person not eligible under this Act to hold the lease and no transfer be made by a person in contravention of the condition of, and subject to which the lease was granted.

(4) An application for transfer of mining lease shall state,-

- (a) the reason for the transfer;
- (b) the consideration for the transfer; and
- (c) such other particulars as may be prescribed.

(5) No transfer of a mining lease shall be permitted, if,-

(a) it leads to fragmentation or unscientific mining;

(b) it is not in the interest of mineral development;

(c) it is against to the national interest.

(6) Where the mining 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 mineral concession agreement in regard to the consent of such person.

(7) The State Government may charge fees for the transfer of the mining lease in case of a major mineral as may be prescribed by the Central Government and in case of minor minerals, as may be prescribed by the State Government.

RECONNAISSANCE LICENCE

19.(1) In respect of every reconnaissance licence granted for major and minor minerals under this Act and the rules made thereunder, 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 and the rules made thereunder;

(b) file a reconnaissance plan in case of major minerals other than coal minerals with the Geological Survey of India, the Indian Bureau of Mines, and the State Directorate, and in case of coal minerals with the Central Government, and in case of minor minerals with the State Directorate concerned in such manner as may be prescribed, which shall include,-

(i) the 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) a quarterly plan of operations; and

(v) the quarterly Schedule of expenditure on the operations:

Provided that in respect of minerals other than coal minerals, with the prior approval of the State Directorate and in case of coal minerals with the prior approval of Central Government, the licence holder may modify the plan of operations or the State Directorate or the Central Government, as the case may be, may direct the licensee to modify his plan of operations, if it appears that ground operations proposed may be in conflict with the ground operations of another licensee who has already filed his plan.

Explanation.- For the purposes of this clause, the quarterly plan of operations shall be prepared so as to exclude overlapping of ground operation of the non-exclusive licence holders who have already filed the plan of operations for the area;

(c) make available all data including all the aerial, photo-geological, geophysical, geochemical and such other data collected by him to the Geological Survey of India, the State Directorate and in case of coal minerals to the Central Government, in such manner and with in such intervals 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 accounts of all the expenses incurred by him on the reconnaissance operations;

(f) submit reports to the Geological Survey of India, the Indian Bureau of Mines, the State Directorate and in case of coal minerals the Central Government, in such manner and within such intervals as may be prescribed and 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, the Indian Bureau of Mines, the State Directorate, and in case of coal minerals, the Central Government, thereupon, keep the specified portions as confidential for a

period of six months from the expiry of the licence, or abandonment of operations or termination of the licence, whichever is earlier;

(g) allow every officer authorised by the Central Government or the State Government as the case may be, in case of major minerals and the State Governments in case of minor minerals, so as to examine the accounts maintained;

(h) furnish to the Geological Survey of India, Indian Bureau of Mines, and the State Directorate in case of major minerals, in case of coal minerals to the Central Government, and in case of minor minerals to the State Directorate concerned, such information and returns as may be required in relation to reconnaissance operations;

(i) allow any officer authorised by the Geological Survey of India or the State Directorate in case of major minerals and the officers of State Directorate in the case of minor minerals to inspect any reconnaissance operations carried on by the licence holder;

(j) pay to the State Government 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 notified by the Central Government with an amount of not less than fifty rupees per square kilometer per year and not more than five hundred rupees per square kilometer per year or part thereof;

(k) obtain clearance from the Ministry of Defence in the Central Government, in case any Defence establishments lie in the area proposed for exploration;

(l) comply with such other conditions as may be prescribed.

(2) the reconnaissance licence may contain such other general conditions as may be prescribed 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, the Civil Aviation or the Ministry of Defence shall be present during the aerial surveys.

(3) The Indian Bureau of Mines may issue direction to a reconnaissance licence holder to ensure compliance with the conditions of the licence and the licence holder shall be bound to comply with such directions.

(4) 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 forfeit in whole or in part, the amount deposited by the licence holder as security:

Provided that no such order shall be made without issuing a notice to the licence holder to show cause and giving him 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 give such person an opportunity of being heard and may issue directions to him to suspend, curtail or revoke the mineral concession or forfeit the security in accordance with the terms and conditions of the mineral concession agreement.

(5) In every case where a part or all of the security deposit has been forfeited, the licensee, shall furnish security deposit to make up the deficiency before recommencing operations under the licence,

(6) Any amount deposited as security deposit in accordance with the provisions of sub section (3) shall unless forfeited, be returned to the licensee at the end of the six month period following the expiry or termination of the licence:

Provided that in case the return of the security or such part thereof as may be payable takes place more than thirty days after the expiry of the six months period, a simple interest at the rate of six per cent. per annum shall be payable for the period beyond thirty days.

20.(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 such form and manner, alongwith such fee and the earnest money as may be prescribed.

(2) The State Government acknowledge the receipt of the application and register the application in such manner as may be prescribed in a register that shall be open to inspection by the public.

(3) The State Government shall grant the reconnaissance licence to every applicant who is eligible in accordance with the provisions of this Act and the rules made thereunder.

(4) 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 communicating the grounds and giving the applicant an opportunity to represent within a reasonable period of not less than thirty days; and

(b) on grounds of incompleteness of material particulars without requiring the applicant to supply the requisite documents or information.

(5) Every grant of a reconnaissance licence shall be notified in the Official Gazette.

PROSPECTING LICENCE

21.(1)In respect of every large area prospecting licence and prospecting licence granted for major minerals and minor minerals under this Act and the rules made thereunder, 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 and the rules made thereunder.

(b) prepare and file a prospecting plan with the Geological Survey of India, the Indian Bureau of Mines and the State Directorate in respect of major minerals (other than coal minerals and in case of coal minerals) with the Central Government, and the State Directorate in the case of minor minerals including such particulars and, in such manner as may be prescribed, which shall include,-

(i) the particulars of the area being prospected;

(ii) the scale of the plan and the area of geological mapping;

(iii) a six monthly plan of operations including,-

(a) the number of pits, trenches, and bore holes which he proposes to put in the area;

(b) the number of samples proposed to be drawn and analysed;

(c) the particulars of the machines to be used;

(d) the details of exploratory mining if any, proposed to be undertaken;

(e) the beneficiation studies proposed to be undertaken;

(iv) appropriate baseline information of prevailing environmental conditions before the beginning of prospecting operations;

(v) steps proposed to be taken for protection of environment which shall 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;

(vi) the six monthly expenditure to be incurred on the operations;

(vii) 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:

Provided that such a plan shall be filed with the Geological Survey of India in respect of large area prospecting licence, in such manner as may be notified by the Geological Survey of India from time to time;

(c) carry out the 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 and in case of coal minerals the Central Government, as the case may be:

Provided that where the licensee proposes to conduct prospecting operations in a manner at variance with the plan already submitted, 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 Geological Survey of India, Indian Bureau of Mines and the State Directorate, in case of coal minerals to the Central Government, and in case of atomic minerals, to the Atomic Minerals Directorate in such manner as may be prescribed:

Provided that such data shall be made available to the Geological Survey of India in respect of large area prospecting licence, in such manner as may be notified by the Geological Survey of India from time to time;

(e) maintain complete and correct accounts of all the expenses incurred by him during the prospecting operations.

(f) submit a report on progress of operations under the prospecting Plan to the Indian Bureau of Mines and the State Directorate and in case of coal minerals to the Central Government, in such manner and intervals as may be prescribed;

(g) pay to the State 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 notified by the Central Government, with an amount not exceeding rupees fifty 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:

Provided that the notification of the Central Government may specify a rate that may be different for each of the successive years;

(h) within three months 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 that if in any part of the area the licensee receives a letter of intent for grant of mining lease within this period he may carry out such amount of work as may be consistent with the mining operations under such lease;

(i) in case the minerals vest in the Government, report to the State Directorate the discovery of any mineral not specified in the licence within a period of sixty days from the date of such discovery and consequent upon such reporting, such newly discovered minerals (except atomic and coal minerals) be deemed to have been included in the prospecting licence;

(j) take immediate measures, in such manner as may be prescribed, 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;

(k) pay to the person holding occupation rights of the surface of the land such compensation as may be notified;

(l) obtain clearance from the Central Government in the Ministry of Defence, in case the Defence establishments are situated in the area proposed for exploration;

(m) comply with such other conditions as may be prescribed.

(2) A prospecting licence may contain such other general conditions which are as follows, 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) 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 the prospecting licence.

(3) The Indian Bureau of Mines or the State Directorate may issue directions to a holder of a large area prospecting licence or a prospecting licence to ensure compliance with the conditions of the licence and the licence holder shall comply such conditions.

(4) Before grant of a prospecting licence, the applicant shall deposit a sum equal to the licence fee as security for the first year and in 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 cancel the licence and may forfeit, in whole or part, the amount deposited by the licensee:

Provided that no such order shall be made without issuing a notice to the licensee to show cause and giving him a reasonable opportunity of being heard:

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

(5) In every case where a part or all of the security deposit has been forfeited, the licensee shall furnish security to make up the deficiency before recommencing operations under the licence.

(6) Any amount deposited as security, in accordance with the provisions of sub-section (4), shall unless forfeited, be returned to the licensee at the end of six months after the expiry or termination of the licence, as the case may be:

Provided that in case the return of the security or such part thereof as may be payable takes place more than thirty days after the expiry of the said period of six months, a simple interest at the rate of six per cent. per annum shall be payable by the State Government for the period beyond thirty days.

Explanation.- For the purposes of this section, the term 'prospecting licence' includes a 'large area prospecting licence'.

22.(1) Applications for grant of a large area prospecting licence or prospecting licence in respect of any land in which minerals vest in the Government shall be made to the State Government concerned in such form and manner, alongwith such fee and earnest money as may be prescribed.

(2) The State Government shall acknowledge the receipt of all the applications and register in such manner as may be prescribed, and be open to the public for inspection.

(3) The State Government shall consider only such applications as are eligible in accordance with the provisions this Act and the rules made thereunder and refuse all ineligible applications for reasons to be communicated to the applicant:

Provided that the applications received later to the first eligible application in respect of an area shall not be considered till disposal of all applications received earlier and communication to the applicants of the reasons for the disposal:

Provided further that in case of grant of prospecting licence, such applications shall also be subject to the provisions of sub-section (7).

(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 or prospecting licence in respect of the land to the first applicant eligible under

this Act and the rules made thereunder and all other applicants be deemed to have been refused to the extent of the area granted to the first applicant:

Provided that in case of prospecting licence, such applications shall also be subject to the provisions of sub-section (7).

(5) In all cases where the State Government refuses an application and proceeds to consider a subsequent application, it shall communicate the reasons therefore:

Provided that no such refusal shall be made,-

(a) without communicating the grounds and giving the applicant an opportunity to represent within a reasonable period of not less than thirty days; and

(b) on grounds of incomplete material particulars in the application, without requiring the applicant to supply the requisite documents or information.

(6) In case of grant of prospecting licence, the application shall not be refused on the ground that the other applications have been received for grant of reconnaissance or large area prospecting licence in the area applied.

(7) In case of grant of prospecting licence, 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 has the first right to the exclusion of other applications notwithstanding anything in sub-sections (3) and (4) to the contrary and 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. Explanation.- For the purposes of this sub-section, the person who intends to invest in reconnaissance operations, directly or by acquiring the reconnaissance data has the legitimate expectation that his investment enable him to acquire prospecting rights to the exclusion of a person who makes no such investment.

(8) Details of grant of the licence shall be notified in the Official Gazette.

23. (1) Where a reconnaissance or prospecting operation in respect of lands in which minerals vest in the Government is to be undertaken by the Geological Survey of India, the Atomic Minerals Directorate, the State Directorate, the Mineral Exploration Corporation Limited, the Central Mine Planning and Design Institute Limited or such

other agencies as may be notified in this behalf, under section 4, the State Government shall issue a notification giving details of the area, and the period for which the reconnaissance or the prospecting operations are to be undertaken;

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

(2) The agency undertaking prospecting operation shall make a report for every six months of its progress of reconnaissance or prospecting in such manner as may be prescribed, and submit the reconnaissance or prospecting report and the geological study, pre-feasibility study or feasibility study, as the case may be, to the State Government at the end of the reconnaissance or prospecting operations in such manner and such terms and conditions as may be prescribed.

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

(4) The State Government shall not entertain any application for grant of any reconnaissance or prospecting licence or mining lease to any person for an area or part thereof in relation to which a notification has been issued under sub-section (1), for the period that the notification is in operation, and such application is deemed never to have been made.

MINING LEASE

24. (1) Every mining lease for a major mineral or a minor mineral shall be subject to the fulfillment of the following conditions, namely:-

(a) all mining operations shall be in accordance with a mining plan prepared in accordance with the provisions of this Act or the rules made thereunder;

(b) the lessee shall report to the State Government, the discovery of any mineral in the leased area not specified in the lease for which rights vest in the Government, within a period of sixty days of such discovery;

(c) 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 ;

(d) the lessee shall pay to the State Government in case of land in which minerals vest in the State 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 the Third Schedule of the Act subject to the provisions of section 41 of the Act:

Provided that if the lease or licence relates to the working of more than one mineral in the same area, the State Government or the person in whom the minerals vest in other cases, as the case may be, shall not charge separate dead rent in respect of each mineral:

Provided further that the lessee shall be liable to pay the dead rent or royalty in respect of each mineral whichever is higher in amount but not both ;

(e) 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, as may be prescribed by the State Government;

(f) the lessee shall furnish the following in such manner and in such period as may be prescribed, namely:-

(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 and in case of coal minerals to the Central Government;

(ii) all information pertaining to investigations of atomic minerals collected by him during the course of mining operations to the Atomic Minerals Directorate;

(g) the lessee shall commence mining operations within a period of two years from the date of execution of the lease and 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 ;

(h) the lessee shall, -

(i) at his own expense, erect and at all times maintain and repair boundary marks and pillars necessary to indicate the demarcation shown in the plan annexed to the lease;

(ii) not carry on, or allow to be carried on, any mining operations at any point within a distance of fifty meters from any railway line, except under and in accordance with the 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 ;

(iii) 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 ;

(i) the lessee shall keep accurate and correct 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 allow any officer authorised by the Central Government or the State Government, as the case may be in this behalf, by general or special order, to examine at any time any accounts, plans and records maintained by him and furnish the Central or the State Government, as the case may be, with such information and returns as it or any officer authorised by it in this behalf may require ;

(j) 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 allow any officer authorised by the Central Government or the State Government , as the case may be, in this behalf by general or special order to inspect the same;

(k) the lessee shall allow any officer authorised by the Central Government or the State Government, as the case may be, 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;

(l) the lessee shall carry on his operations in accordance with the approved mining plan and take immediate measures in such manner as may be prescribed 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;

(m) the lessee shall pay to the person holding occupation, usufruct or traditional rights of the surface of the land such compensation as specified in sub-section (2) of section 42;

(n) the lessee shall deposit with the State Government in case of major minerals that vest in the Government, an amount calculated at the rate of rupees one lakh per hectare of the lease area payable in equal installments over the mining plan period as security 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 amount of the deposit in respect of leases granted after such notification:

Provided further that in case the mineral vests in a person other than the Government, such person shall require to deposit such sum not less than the rate specified in the first proviso:

Provided also that in case of small deposits the lessee shall be required to pay security deposit for the broken up area, mineral storage and waste and over-burden area in the mining lease as per the rate prescribed in this sub-section:

Provided also that in the case of minor minerals the deposit shall be such as may be notified by the State Government and the provisions of this section apply mutatis-mutandis to minor minerals

(o) the lessee shall comply with such other conditions as may be prescribed.

(2) The Indian Bureau of Mines or the State Directorate may issue directions to a lessee to ensure compliance with the conditions of the lease and the lessee shall comply with such directions.

(3) If the lessee does not allow entry or inspection in respect of any matter covered under sub-section (1), relating to land in which minerals vest in the Government, 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, which is not less than two days and not more than fifteen days, as to why the lease 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 an opportunity of being heard to such person, direct him to determine the lease and forfeit the whole or part of the security deposit.

(4) 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 section 44 or commits a breach of any of the conditions specified in sub-section (1), the State Government shall give a show cause notice to the lessee requiring him to pay the royalty or dead rent or cess, as the case may be, along with interest at the rate of fifteen per cent. per annum or remedy the breach, as the case may be, within a period of thirty days from the date of the receipt of the notice and if the royalty or dead rent or cess is not duly paid alongwith the interest 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 giving an opportunity of being heard to such person, direct him to determine the lease and forfeit the whole or part of the security deposit.

(5) In every case where part or all of the security has been forfeited the lessee shall furnish security to make up the deficiency before recommencing operations.

(6) Any amount deposited as security deposit in accordance with the provisions of sub-section (4) shall, unless forfeited, be returned to the lessee at end of the six months period after the expiry or termination of the lease:

Provided that in case the return of the security deposit or such part thereof as may be payable takes place more than thirty days after the expiry of the six months period, simple interest at the rate of six per cent. per annum shall be payable for the period beyond thirty days.

25. (1) The mining lease in respect of land in which minerals vest in the Government shall, except in case where a mining lease is granted in accordance with

the provisions of section 13, be granted only on application made by a person who has held a large area prospecting licence or a prospecting licence for the area and no other applications are entertained in this regard.

(2) The State Government shall acknowledge all applications received and cause them to be registered in such manner as may be prescribed in a register and be open to the public for inspection.

(3) 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 fulfilment of general conditions as may be prescribed, and such special conditions as specified under sub-section (4) of section 13:

Provided that in case such application for mining lease is rejected, no other application shall be considered and the area notified for grant of mineral concession under sub-section (1) or sub-section (4) of section 13.

(4) In every case of an approval for grant of mining lease under sub-section (3), the State Government shall issue a letter of intent to the applicant enabling him to obtain the statutory approvals and clearances necessary for the execution of the lease deed.

(5) Every lease granted under this section and the details thereof shall be notified.

26.(1) Subject to the provisions of this Act and rules made thereunder, mining operations shall be undertaken in accordance with a mining plan, prepared for the entire leased area in such manner as may be prescribed, which may include scientific methods of mining within a sustainable development framework, beneficiation and economic utilization and induction of technology to ensure extraction and best utilization of the run of the mine:

Provided that a mining Plan shall not be required in respect of such minor minerals as are notified by the State Government in consultation with the Indian Bureau of Mines:

Provided further that in respect of any minor mineral for which a mining plan is not required, the State Government, in consultation with the Indian Bureau of Mines, shall prescribe a framework with which mining operations be carried out and

the mining framework deemed to be in the nature of a general directions issued under section 46 of this Act:

Provided also that for the purposes of section 12, and section 24 the framework shall be deemed to be the mining plan.

(2) On acceptance of an application for a mining lease, and before the execution of the lease, the applicant shall cause to be prepared and approved a mining Plan for the entire area proposed to be granted for lease in such manner as may be prescribed.

(3) Without prejudice to the generality of the provisions of the mining plan, there shall be attached to the mining plan, a corporate social responsibility document, comprising of a scheme for annual expenditure by the lessee on socio-economic activities in and around the mine area for the benefit of the host population in the panchayats adjoining the lease area and for enabling and facilitating self employment opportunities, for such population.

(4) No mining plan shall be approved, unless it is prepared by a qualified person empanelled in this behalf in such manner as may be prescribed.

(5) No person shall be empanelled for purposes of sub-section (4) unless he,-

(a) is qualified as a mining engineer or geologist;

(b) has fulfilled the requisite experience as may be prescribed; and

(c) meets such other requirements as may be prescribed in order to further the objective of scientific mining.

(6) The mining plan for major minerals shall, except in case of coal minerals and atomic minerals, be approved by officers of the Indian Bureau of Mines, authorised by general orders in this behalf by the Controller General, and for minor minerals the plan shall be approved by officers of the State Directorate authorised in this behalf, by the general order of the State Government.

(7) Any person aggrieved by the approval or refusal under sub-section (6) in respect of a mining Plan for major minerals other than coal and atomic minerals, may apply to the Controller General, the Indian Bureau of Mines, for reversal or

modification of such an order and the Controller General may confirm, modify or set aside the order or direction in respect of the mining plan:

Provided that the Central Government may, on being satisfied that the State Directorate possesses the necessary technical and management capability as may be prescribed, empower the State Directorate to grant approvals for such major minerals in such circumstances as may be specified in the notification:

Provided further that in case the Central Government, at any time, is of the opinion that the State Directorate does not possess the requisite technical and management capability, it may suspend or revoke the power granted and may direct it to be exercised by officers of the Indian Bureau of Mines in accordance with the provisions of this sub-section.

(8) Any person aggrieved by the order or direction under sub-section (6) in respect of a mining plan or framework for minor minerals may apply to the Director in the State Directorate for cancellation or modification of such an order and the Director may confirm, modify or set aside the order or direction in respect of the mining plan or framework, as the case may be.

(9) No person shall conduct mining operations in any area except in accordance with a mining plan as approved under this Act.

(10) 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 may be considered 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.

(11) In respect of coal minerals and atomic minerals, the provisions of this section shall be applied mutatis mutandis by the Central Government.

27. Subject to the provisions of this Act or any law for the time being in force, the lessee with respect to the land leased to him shall have the right for the purpose of mining operations on that land, 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 material and road materials and make bricks ;
- (e) use water and take timber ;
- (f) use land for stacking purpose ;
- (g) install fuel pumps or stations for diesel or petrol for own use;
- (h) construct magazine for explosives, and storage sheds for explosive related substances with permission from the licencing authority concerned;
- (i) store overburden material in areas identified for the purpose;
- (j) divert public roads, overhead electric lines passing through the lease area, to facilitate scientific mining, and;
- (k) do any other thing as specified in the lease.

28.(1) An application for the extension of a mining lease shall be made in such manner as may be prescribed to the State Government through such officer or authority as it may specify in this behalf, or the person in whom the minerals vest, as the case may be, at least twenty four months before the date on which the lease is due to expire.

(2) The extension of a lease which was granted with, or requiring, the prior approval of the Central Government, shall be extended with the prior approval of the Central Government.

(3) An application for extension made under sub-section (1) shall be disposed of by the authority competent to grant a lease for the mineral within twelve months

from the date of receipt of the application and the provisions of sub-sections (4) , (5) and (6) of section 14 shall, mutatis-mutandis, apply to application for extension:

Provided that before granting approval for a 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 other than coal and atomic minerals and the State Directorate in the case of minor minerals, as to whether it is 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 within a period of three months of receipt of the communication from the State Government, it shall be deemed that the Indian Bureau of Mines has no objection to the grant of extension of the mining lease.

(4) If an application for the extension of a mining lease made within the time referred to in sub-section (1) is not disposed off by the State Government before the date of expiry of the lease, the period of the lease shall be deemed to have been extended till the State Government passes an order thereon or the person in whom the minerals vest communicates his approval or rejection of the application, as the case may be.

(5) The State Government may, by an order condone the delay in an application for extension of mining lease made after the time limit specified in sub-section (1) if the application has been made before the expiry of the lease and there are sufficient reasons, to be recorded in writing, to condone the delay, and the provisions of sub-section (4) shall be applicable in such case.

29.(1) Subject to the provisions of this section, in respect of land in which the minerals vest in the Government, where mining operations are not commenced within a period of two years from the date of execution of the lease, or discontinued for a continuous period of two years after the commencement of such operations, the State Government may after issuing a notice to the lease holder to show cause and giving him an opportunity of being heard, declare that the lease has lapsed and without prejudice to the foregoing, the State Government on being satisfied that the lessee did

not show due diligence, may also declare him to be in breach of the conditions of such lease and, therefore, ineligible for consideration under sub-section (3) of section 20 or sub-section (3) of section 22 or sub-section (3) of section 25, as the case may be, for such period not exceeding five years as may be specified, having regard to the nature of the breach.

(2) 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 exceeding two years for reasons beyond his control, may, at least three months before the expiry of such period, seek extension of period for commencing or recommencing mining operations, as the case may be, and the State Government on being satisfied the adequacy and genuineness of the reasons for non-commencement of mining operations or discontinuance thereof, pass an order condoning the period of delay in commencement or recommencement of the mining operations, as the case may be:

Provided that such an order shall be passed by the State Government within a period of three months from the date of receipt of the application.

(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 a period of six months from the date of its lapse, seek revival of the lease and the State Government on being satisfied about the adequacy of the reasons for non-commencement of mining operations or discontinuance, may pass an order reviving the lease:

Provided that such an order shall be passed within a period of six months from the date of making an application for revival:

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

Provided also that in respect of coal minerals, atomic minerals and beach sand minerals, prior approval of the Central Government shall be obtained before orders are issued under this section.

(4) The manner, the procedures for condonation of delay and the reasons for commencement or recommencement in respect of matters specified in sub-sections (2) and (3) shall be such as may be prescribed.

(5) Any person aggrieved by an order, passed by the State Government under sub-sections (1), (2) or (3) or by failure of the State Government to pass an order within the period specified therein, may apply to the National Mining Tribunal or State Mining Tribunal, as the case may be, and the concerned Tribunal may issue appropriate direction.

30.(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 the 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 mineral 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 part area thereof 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, he shall give notice of not less than six months and the State Government or the person in whom the minerals vest, as the case may be, may permit the lessee to surrender that lease or part area thereof or minerals, as the case may be, subject to conditions as may be prescribed.

(2) In every case where a lease is determined or surrendered under sub-section (1) the lessee at his own cost prepare and implement a Final Mine Closure Plan in accordance with the provisions of section 32 and shall close the mine or part thereof in accordance with the provisions of the section 33,

(3) 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 by an order, after giving an opportunity of being heard to the lessee, determine the lease or forfeit in whole or in part, the amount deposited as security by the lessee, and in case the lease is determined, shall at the cost of the lessee prepare and implement a Final Mine Closure Plan in accordance with the provisions of the sections 32 and 33.

(4) Where it appears, upon any investigation conducted by a Central Government agency under the National Investigation Act, 2009 or any other Central Act, that mining in any area under lease is related to or aiding or abetting organized crime or anti-national activities of outlawed or insurrectionist organisations or that such mining is prejudicial to national security, the Central Government, for reasons to be recorded in writing, may direct the State Government that such mining lease be determined and the State Government shall determine the lease forthwith.

(5) In respect of any land in which the minerals vests in a private person where the lease is determined due to breach of any of the conditions of the lease, such person shall prepare and implement the Final Mine Closure Plan at his cost.

(6) Any person aggrieved by an order, made under sub-section (3) or (4), may apply to the National Mining Tribunal in respect of an order issued by the Central Government or an order issued by the State Government, as the case may be, in respect of major minerals, and to the State Mining Tribunal in respect of an order issued by the State Government in respect of minor mineral.

31.(1) Where the State Government is of the opinion that it is in the public interest or in the interest of public safety to do so, it may for reasons to be recorded in writing 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:

Provided that no premature termination of a mining lease shall be made without giving a reasonable opportunity of being heard to the lessee.

(2) In every case of premature termination of a lease, made under sub-section (1), the State Government shall, having regard to the nature of the loss caused to the lessee, compensate the lessee in such manner as may be prescribed,

(3) A person aggrieved by an order under sub-section (1) or sub-section (2) may apply to the National Mining Tribunal in case of major mineral and the State Mining Tribunal in case of minor mineral, for revision, modification or cancellation of such order.

32.(1) Every mining lease shall have a Mine Closure Plan prepared in terms of a Sustainable Development Framework, which consist of:-

- (i) a progressive mine closure plan for each mine; and
- (ii) a final mine closure plan.

(2) Every Mine Closure Plan shall be available for inspection by the public in the office of the authority competent to approve such Plan, and also in the office of the Panchayat having jurisdiction and such other places as may be notified.

(3) A Progressive Mine Closure Plan shall be prepared for each mine for a period of five years at a time commencing with the period of the lease, and for every period of five years thereafter, in such manner as may be prescribed:

Provided that the Progressive Mine Closure Plan shall include details of closure, rehabilitation and restoration activities proposed to be carried out in the five year period and the projected investments in this respect.

(4) The lessee shall submit the Progressive Mine Closure Plan to the Indian Bureau of Mines and the State Directorate in the case of major minerals and to the Atomic Minerals Directorate in case of atomic minerals, and to the State Directorate in the case of minor minerals and a copy thereof shall be sent to the Panchayats of the area:

Provided that in respect of a mining lease for a minor mineral for which a mining plan has been dispensed with under sub-section (1) of section 26, the State Government in consultation with the Indian Bureau of Mines may, having regard to the nature of the mineral, exempt any such lease from preparing a Mine Closure Plan, subject to suitable provision in the mining Framework in respect of that mineral in such manner as may be prescribed, and the mining framework shall be deemed to be the Progressive Mine Closure Plan and the Final Mine Closure Plan for the purposes of this Act.

(5) The Indian Bureau of Mines or the Atomic Mineral Directorate, or the State Directorate as the case may be shall, after consulting the concerned Panchayats

convey its approval or disapproval to the Progressive Mine Closure Plan within a period of ninety days from its receipt:

Provided that in case the approval or disapproval is not communicated within the said period, the Progressive Mine Closure Plan shall be deemed to have been approved on a provisional basis till such approval or disapproval is conveyed.

(6) No mining operation shall be carried out in a mine in respect of which a Progressive Mine Closure Plan has not been approved, or in a manner contrary to the approved Progressive Mine Closure Plan:

Provided that the authority responsible for approving the Progressive Mine Closure Plan may at any time inspect the mining operations to satisfy itself in this regard, and may issue any direction necessary to ensure compliance to the provisions of the Plan.

(7) A Final Mine Closure Plan shall be prepared for each mine in such manner as may be prescribed, and approved by the authority competent to approve the Progressive Mine Closure Plan in respect of the mine,

(8) Without prejudice to the generality of this section, the Final Mine Closure Plan shall be based on the land use planned for the lease area after its closure, and include measures to reduce hazards, improve productivity and ensure that it supports the needs of the host population:

Provided that the land use planned for the mining lease area after the closure of mine shall be decided in consultation with the Panchayats having jurisdiction, in such manner as may be prescribed by the Central Government.

(9) The Final Mine Closure Plan shall be revised for every five years having regard to the progress of mining operations and be submitted along with every Progressive Mine Closure Plan.

(10) The Final Mine Closure Plan for the last five year period of the lease shall be approved with such modification as may be specified by the authority approving the Progressive Mine Closure Plan after consultation with the Panchayat concerned, within a period of one year;

Provided that in the case where the lease is extended under the provisions of sub-section (1) of section 8 of the Act, the lessee shall submit a Progressive Mine Closure Plan for the next five years in accordance with the provisions of this Act along with a Final Mine Closure Plan in accordance with the provisions of this section and the last five years shall be reckoned with reference to the extended period.

(11) The manner of preparation and implementation of mine closure plan for Coal minerals shall be such as may be prescribed.

33. (1) The lessee shall not determine the lease or part thereof unless a final mine closure plan, approved by the Indian Bureau of Mines, the Atomic Minerals Directorate in respect of major minerals other than coal minerals, or any authority as may be designated by the Central Government in respect of coal minerals, or the State Directorate in respect of minor minerals, is duly implemented by the lessee.

(2) For the purposes of sub-section (1), the lessee shall be required to obtain a certificate from the Indian Bureau of Mines, the Atomic Minerals Directorate or any other authority as may be designated by the Central Government in respect of coal minerals or the State Directorate in respect of minor minerals, 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) In every case where a lessee has made default in implementing a progressive Mine Closure Plan, the State Government may by an order suspend the mining operation till the default is remedied and may demand additional security so as to ensure deposit of security to the extent of the maximum specified under sub section (1) of section 24 for the remaining period of the lease, and for any or all other leases of the lessee for reasons to be specified in a show cause notice, and in case the lessee fails to show adequate cause, or fails to furnish the additional security, as the case may be, within a reasonable period not exceeding thirty days, the State Government may determine the lease in respect of which such security was not furnished.

(4) If the lessee makes default in implementing the final Mine Closure Plan or abandons the mine, without prejudice to any action under section 52, the State Government may after serving a notice to the lessee, cause the plan to be implemented by such other authority as it may direct, at the cost of the lessee, that the lease may be determined in such manner as may be prescribed and the lessee shall be declared to be ineligible for the purpose of any mineral concessions under this Act.

MINERAL CONCESSIONS IN CASES WHERE MINERALS DONOT VEST
EXCLUSIVELY WITH GOVERNMENTS

34. Applications for mineral concessions in respect of any mineral which vest exclusively in a person other than the Government shall be made to such person and all mineral concessions be granted subject to the provisions of this Act and the rules made thereunder.

35. A mineral concessions granted in accordance with the provisions of section 34 shall be in the form of a registered deed executed by the parties on such terms and conditions as may be agreed to not inconsistent with the provisions of this Act or the rules made thereunder, and an authenticated copy of the deed shall be deposited by the person granted the mineral concession with the State Government and the Indian Bureau of Mines before commencing operations:

Provided that notwithstanding anything contained in such deed to the contrary, 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 this Act.

RESERVATION

36. 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 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 private person shall be shared by the Government and by that person in proportion to the share they have in the minerals.

37. The State Government with the prior approval of the Central Government, or the Central Government after consultation with the State Government, may reserve for purposes of mineral conservation any area not already held under a large area prospecting license, a prospecting licence or mining lease, and shall notify the reservation 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 concession shall be entertained in respect of an area reserved under sub-section (1), and any such application is deemed to have never been made.

(3) An area reserved for purposes of mineral conservation shall not be used for such purposes during the period of the reservation that is contrary to the object of such reservation.

38. Subject to the provisions of section 37, all areas reserved before the commencement of this Act shall be deemed to be reserved under section 37 for a period of five years from the date of commencement of this Act or upto the date specified in such reservation order, whichever is less;

39. On the expiry of the period of reservation under section 37 or 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 37 or section 38, as the case may be, shall be deemed to be available for grant of the mineral concessions after a lapse of thirty days or from such earlier date as may be notified for the purpose.

ROYALTIES, COMPENSATION AND CESS

40. (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 such as specified in Second Schedule to this Act.

(3) The Central Government shall by notification constitute a National Mineral Royalty Commission consisting of representatives of Central Government, the State Governments and the mining industry, as the case may be, which may:

(i) review the existing rates of royalty on minerals (other than coal, lignite and sand for stowing) specified in Second Schedule and recommend revision of rates;

- (ii) review the guidelines for calculation of ad valorem rates of royalty from time to time;
- (iii) suggest progressive royalty rates for various minerals having regard to international practices;
- (iv) suggest mechanisms to improve royalty realizations and penal action for failure to pay royalty on minerals extracted;
- (v) suggest suitable mechanisms to moderate royalty to support investment in remote areas or for induction of special technology or for promoting mineral beneficiation or to produce downstream products of strategic value;
- (vi) suggest appropriate revision in the existing rates of dead rent specified in the Third Schedule ;
- (vii) make recommendation on any other matter as the Central Government may refer to it from time to time.

(4) The National Mineral Royalty Commission shall present an annual report to the Central Government with its recommendations:

Provided that recommendations for enhancement of rates of royalty shall be presented to the Central Government not more than once in three years.

(5) The Central Government may, after taking into consideration the report and recommendations of the National Mineral Royalty Commission, by notification, amend the Second Schedule to the Act 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 five years.

(6) The State Government may, by notification from time to time, declare the rate at which royalty shall be payable in respect of minor minerals:

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

(7) Notwithstanding anything contained in this Act, the provisions of sub-section (1) shall not apply to or in relation to mining leases granted before the 25th day of October, 1949, in respect of coal, but the Central Government, if it is satisfied that it is expedient so to do, may, by notification, direct that all or any of the provisions of this Act or the rules made thereunder apply to or in relation to such leases subject to such exceptions and modifications, if any, as may be specified in that notification.

41.(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 every year, dead rent at such rate as may be specified, for all the areas included in the instrument of lease.

(2) 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 higher.

(3) The dead rent in respect of mining leases for major minerals shall be as specified in the Third Schedule and the Central Government may, after taking into consideration the recommendations of the National Mineral Royalty Commission, by notification, amend the Third Schedule 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 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.

(4) The State Government may by notification from time to time, declare the rate at which dead rent shall be payable in respect of minor minerals:

Provided that the State 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:

Provided further that in respect of such portion of a lease as is for both major and minor minerals, dead rent if payable, shall be the higher of the two dead rents.

(5) In order to encourage mining of small deposits in cluster, dead rent for the area shall be determined, having regard to the actual area for mining purposes.

42. (1) In respect of land in which minerals vest in the Government the holder of a reconnaissance licence, large area prospecting licence or prospecting licence or mining lease shall be liable to pay, to the person holding occupation or usufruct or traditional rights of the surface of the land over which the licence or lease has been granted, such reasonable annual compensation as may be mutually agreed between the holder of such licence or lease and such persons or in the absence of such agreement, which may be determined by an officer appointed, by notification, by the State Government in this behalf in such manner as may be prescribed by the State Government:

Provided that such amount shall be determined before commencement of operations and paid in advance each year, in such manner as may be prescribed by the State Government.

(2) the holder of a mining lease shall, in respect of any person or persons holding occupation or usufruct or traditional rights of the surface of the land over which the lease has been granted be, liable to, -

(i) allot free shares equal to twenty-six per cent. through the promoter's quota in case the holder of lease is a company, or, an annuity equal to twenty-six per cent. of the profit (after deduction of tax paid) in case holder of lease is a person, on account of annual compensation, and,

(ii) provide employment and or other assistance in accordance with the Rehabilitation and Resettlement Policy of the State Government concerned;

Provided that in case the company or the holder of a lease does not make any profit after commencement of mining activity, the company or the lease holder shall pay such amount in lieu of annuity for the first five years from the date of commencement of the mining activity.

Explanation.— For the purposes of this sub-section, -

(a) the State Government through the Gram Sabha or the District Council or the Panchayat as the case may be, shall identify the families affected by the mining operations, directly or indirectly, before the commencement of such operations, and the lease holder concerned institute a mechanism in consultation with the Gram Sabha or the District Council or Panchayat and ensure that the benefits under this section are given to such identified families;

(b) the payment of compensation ensure that the affected family shall not be reduced to the status of below poverty line category and receive an income equal to at least the income earned by the affected family before the start of mining operation and for improving the quality of life of affected family.

(3) The compensation payable under this section shall be in addition to any other amount or compensation payable to the person holding occupation or usufruct or traditional rights of the surface of the land under any other law for the time being in force.

(4) After the termination of a reconnaissance licence, large area prospecting licence, prospecting licence or a mining lease, the State Government shall after giving the person holding occupation or usufruct or traditional rights of the surface land an opportunity of being heard, assess the damage, if any, done to the land by the reconnaissance or prospecting or mining operations and determine the amount of compensation payable by the licensee or the lessee, as the case may be, to the person holding occupation rights of the surface land in such manner as may be prescribed by the State Government:

Provided that in case the licensee or lessee and the person holding occupation or usufruct or traditional rights mutually agree on the compensation, and communicate the same to an officer appointed by the State Government in this behalf, the State Government may, accordingly, determine the compensation.

(5) In case the licensee or lessee, as the case may be, fails to pay the compensation within three months of its determination under section 30, 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 98 of this Act, and may also declare the licensee or lessee ineligible for the purposes of any mineral concessions under this Act.

43. (1) The Central Government may, by notification, specify, that there shall be levied and collected a cess on major minerals for the purposes of this Act,—

(a) as a duty of customs, where the ore is exported;

(b) as a duty of excise, where the ore is sold or otherwise disposed to an end-user or to any other person who in turn sells it to an end-user, or is used by the owner of the mine in any end-use by himself,

at such rate as may be specified in the notification:

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

(2) Every cess leviable under sub-section (1) on major minerals shall be payable by the person by whom such major minerals are produced, and in the case of export, the cess shall be payable by the exporter.

(3) The cess leviable under sub-section (1) on the major mineral shall be in addition to any cess or duty leviable on those items under any other law for the time being in force.

(4) The provisions of the Central Excise Act, 1944 and the rules made thereunder and the provisions of the Customs Act, 1962 and the rules made thereunder, as the case may be, including those relating to refunds and exemptions from duties shall, as far as may be, apply in relation to the levy and collection of cess leviable under this section and for this purpose, the provisions of the Central Excise Act, 1944 and of the Customs Act, 1962, as the case may be, shall have effect as if the aforesaid Acts provided for the levy of cess on major minerals.

44 (1) The State Government may, by notification specify, that there shall be levied and collected a cess on major minerals or minor minerals extracted at a rate not exceeding ten per cent. of the royalty in such manner as may be prescribed by the State Government:

Provided that the rate shall not be increased more than once during any period of five years:

(2) The cess shall be paid by the person holding the mining lease for major minerals or minor minerals:

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.

POWER TO ISSUE DIRECTIONS, ETC.

45. (1) The Central Government shall 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 all mineral resources.

(2) The Central Government in order 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, shall cause to be developed a National Sustainable Development Framework in consultation with the State Governments.

(3) 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.

(4) The National Sustainable Development Framework shall contain guidelines enabling formulation of project-level practices for sustainable mining, and includes the following, namely;-

(i) specification of factors and parameters influencing sustainable and scientific mining;

(ii) broad criteria beyond which mining may not be deemed sufficiently sustainable or scientifically manageable;

(iii) systemic measures needed to be taken or built-in to increase sustainability of mining operations considering its entire life cycle, inter-alia.-

(a) ensuring minimal adverse impact on quality of life of the local communities;

(b) protecting interests of affected persons including host population;

(c) creating new opportunities for socio-economic development including for sustainable livelihood;

(d) mineral conservation both in terms of mining technologies or practices and mineral beneficiation;

(e) reduction in waste generation and related waste management practices;

(f) minimizing and mitigating adverse environmental impacts particularly in respect of ground water air, ambient noise and land;

(g) ensuing minimal ecological disturbance, in terms of bio-diversity, flora, fauna and habitat;

(h) promoting restoration and reclamation activities so as to make optimal use of mined out land for the benefit of the local communities;

(i) measurable indicators of sustainable development;

(j) consultative mechanisms with stakeholder groups right from pre- mining stages through the life cycle and upto post-closure stages to ensure that the stakeholder groups involvement and participation in identifying and addressing the sustainability issues; and

(k) system of public disclosure of mining related activities and environmental parameters including indicators and mechanisms to facilitate formal and informal sustainability audits.

(5) The Central Government may issue general directions as may be required, consistent with the provisions of the Act to the State Governments or to any authority under the Central Government or the State Government, as the case may be, for the conservation of strategic mineral resources in the national interest and for the scientific and sustainable development and exploration of mineral resources and

detection, prevention and prosecution of cases of illegal mining, and to frame rules for the purpose and all such directions shall be complied with to the extent possible.

(6) Without prejudice to the provisions of this section, the Central Government 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 comply except where the information is of a nature that is exempted under section 8 of the Right to Information Act, 2005 in relation to a public authority.

46. (1) The State Government may, in the interest of systematic development of mineral deposits, conservation of minerals, scientific mining, sustainable development and protection of the environment, issue directions to the owner, agent, mining engineer, geologist or manager of a mine.

(2) Every direction issued under sub-section (1) shall be complied 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, may either modify or rescind the direction or confirm it:

Provided further that in case the State Government does not pass any order modifying or rescinding such direction within a period of thirty days from the date of application, the direction shall be deemed to have been confirmed.

(3) Any direction issued under sub-sections (1) and (2) shall be issued in consultation with the Indian Bureau of Mines in such classes of cases as may be prescribed by the Central Government.

(4) Any person aggrieved by a direction or order under this section may apply to the National Mining Tribunal in case of major minerals under section 55 or the State Mining Tribunal in case of minor minerals under section 69, as the case may be.

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

Provided that no such authorisation shall be made 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.

(2) On issue of an authorisation under sub-section (1), it shall be lawful for the Geological Survey of India, the Indian Bureau of Mines, the Atomic Mineral Directorate or the specified authority or agency, and its employees,-

- (a) to enter upon such land;
- (b) to dig or bore into the sub-soil, conduct studies and take samples;
- (c) to do all other acts necessary to determine the nature and 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, and to mark such boundaries and line by placing marks; and
- (e) 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 with the approval of the authority concerned:

Provided that no such authority or agency, as the case may be, shall enter into any building or upon any enclosed court or garden attached to a dwelling-house

without previously giving such occupier at least seven days' notice in writing of its intention to do so.

(3) Whenever any action of the nature specified in sub-section (2) is to be taken, the Central Government shall, before or at the time when such action is taken, pay or tender payment for the 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 shall be paid or tendered, the Central Government refer the dispute to the Collector of the District in which the land is situated for determination.

(4) The fact that there exists any such dispute as is referred to in sub-section (3) shall not be a bar to the taking of any action under sub-section (2).

(5) After the completion of the investigation, the Geological Survey of India, the Indian Bureau of Mines, the Atomic Minerals Directorate or the specified authority or agency by which the investigation was made shall submit a report to the Central Government indicating therein the nature and extent of any mineral which lies deposited in or under the land and such other information as may be necessary.

(6) The costs of the investigation made under this section shall be borne by the Central Government:

Provided that any portion of the cost may be paid out of the National Mineral Fund in accordance with the provisions of section 49.

(7) The Central Government may, having regard to the utility of the report submitted under sub-section (5), and the public interest, make available the report to such persons and at such cost and manner as may be prescribed.

48.(1) The Indian Bureau of Mines, the Coal Controller, the Atomic Minerals Directorate or the State Directorates or any officer authorised by the Central Government or the State Government, as the case may be, may enter and inspect a mine, and 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, which in the opinion of the Indian Bureau of Mines, the Coal Controller, the Atomic Minerals Directorate or the State Directorate, poses a grave and immediate threat to the conservation of minerals or to the

environment, it may, by 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, the Coal Controller, the Atomic Minerals Directorate or the State Directorate, as the case may be, may by a general or specific order require the cores or specimens of rocks and minerals obtained from specified boreholes or shafts during prospecting or mining operation conducted under this Act, to be preserved for any specific period.

(4) Every holder of a prospecting licence or a mining lease shall provide all reasonable facilities to persons authorised by the Indian Bureau of Mines, the Coal Controller, the Atomic Minerals Directorate and the State Directorate for the purpose of undertaking research or training in matters relating to mining or geology.

(5) The holder of a reconnaissance licence, large area prospecting 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, the Coal Controller, the Atomic Minerals Directorate or the authorised officer of the Central Government or the State Government, as the case may be, may require by an order in writing and the information is furnished within such time and such period as may be specified in the aforesaid order.

ESTABLISHMENT OF NATIONAL AND STATE MINERAL FUND AND AUDIT

49. (1) The Central Government shall, by notification, establish a fund to be called the National Mineral Fund for the purposes of this Act.

(2) The proceeds of the cess levied under sub-section (1) of section 43 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 to the National Mineral Fund from time to time, after deducting the expenses of collection, for being utilised exclusively for the purposes of sub-section (3).

(3) The amount standing to the credit of the National Mineral Fund shall be utilised for –

- (a) promoting scientific management of mining activities and mine closures, including research and development and training;
- (b) research and development in sustainable mining;
- (c) developing capacity of the Indian Bureau of Mines, and any other agency as may be determined by the Central Government to enforce the provisions of the Act;
- (d) detecting and preventing illegal mining including commissioning of surveys and studies, and developing awareness amongst local communities and the mining sector;
- (e) investigations for the conservation and scientific management, of mineral resources in accordance with the provisions of section 47 of the Act;
- (f) promotion of information technology applications in support of the mining and minerals sector;
- (g) providing grants-in-aid for promoting techno-economic studies for the mineral sector; and
- (h) providing grants-in-aid for holding of and participation in National or International minerals and mining workshops, conferences and promotional events.

50. (1) The National Mineral Fund shall be under the control of the Central Government, and the balance to the credit of the National Mineral Fund not lapse at the end of the Financial Year.

(2) The Central Government shall be responsible for the administration and management of the National Mineral Fund.

(3) The Central Government for the purpose of this Act,-

- (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 National Mineral Fund to institutions and authorities as may be decided and monitor their utilisation; and

(c) implement directly or through the Geological Survey of India or the Indian Bureau of Mines or any other agency as may be determined by the Central Government, projects for the purposes of sub-section (3) of section 49 and for this purpose it may authorize the Director General, Geological Survey of India and the Controller General, Indian Bureau of Mines to incur such expenditure from the National Mineral Fund as may be necessary in this regard.

51. (1) 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 National Mineral Fund in such form, as may be prescribed in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the National Mineral Fund shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him.

52. (1) The State Government may, by notification, establish a fund to be called the State Mineral Fund for the purposes of this Act.

(2) The State Government may, by law made by the Legislature of that State, credit such proceeds of cess levied under section 44 in the Consolidated Fund of the State or the State Mineral Fund or any other account, as such law may provide, after deducting the expenses of collection, for being utilised exclusively for the purposes of sub-section (4).

(3) The State Mineral Fund shall be held and administered on behalf of the State Government in such manner and by such authority as may be prescribed by the State Government.

(4) The amount standing to the credit of the State Mineral Fund shall be utilised for:-

(a) funding of Panchayats or Gram Sabhas, District Council (in the case of Scheduled areas or Tribal areas specified in the Fifth Schedule or the Sixth Schedule to the Constitution), for the purposes of;

- (i) improvement of local infrastructure for socio-economic purposes;
- (ii) maintenance of community assets and services for local populations in the area; and
- (iii) human resource development of local populations for creating employment and self-employment capabilities.

(b) developing capacity of the State Directorate to achieve the objects of this Act and for the operation of the State Mining Tribunal;

(c) promotion of information technology applications in support of the mining and mineral sector;

(d) setting up and operation of Special Courts under section 85 of the this Act;

(e) compensating lessees whose leases are prematurely terminated under section 31 of this Act;

(f) reward whistle-blowers on illegal mining

Explanation.- For the purposes of this section a whistle blower is a person who provides credible information of illegal mining;

(g) such other public purposes in relation to the objects of the Act including measures to prevent and detect illegal mining, as may be deemed expedient by the State Government from time to time.

(5) Without prejudice to the generality of the forgoing provisions, the State Government may sanction grants out of the State Mineral Fund to an authority for implementation of a mine closure plan under sub-section (4) of section 33 and cause the recovery of the cost thereof from the lessee in accordance with the provisions of section 98 and deposit the same into the State Mineral Fund.

53. (1) The State Mineral Fund shall be under the control of the State Government, and the balance to the credit of the State Mineral Fund shall not lapse at the end of the Financial Year.

(2) The State Government shall be responsible for the administration and management of the State Mineral Fund.

(3) The State Government for the purposes of this Act,-

(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 State Mineral Fund for the purpose of Panchayats or other institutions and authorities and monitor their utilization;

(c) implement directly or through the State Directorate, projects for the purposes of sub-section (4) of section 52 and for this purpose, may authorise the Director of the State Directorate to incur such expenditure from the State Mineral Fund as may be necessary in this regard.

54. 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 State Mineral Fund in such manner, as may be prescribed by the State Government in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the State Mineral Fund shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him.

MINING TRIBUNALS

A. NATIONAL MINING TRIBUNAL

55. The Central Government shall by notification establish with effect from such date as may be specified therein, a Tribunal to be known as the National Mining Tribunal, to exercise jurisdiction, powers and authority conferred on such Tribunal by or under this Act.

56. (1) The National Mining Tribunal shall consist of a full time Chairperson and not more than seven judicial Members and seven expert Members to be appointed, by notification, by the Central Government.

(2) The Chairperson of the National Mining Tribunal may, if considered necessary, invite any one or more persons having specialized knowledge and experience in a particular case before the Tribunal to assist the Tribunal in that case.

(3) Subject to the other provisions of this Act, the jurisdiction, powers and authority of the National Mining Tribunal may be exercised by Benches thereof as may be notified by the Central Government.

(4) Subject to the other provisions of this Act, a Bench shall consist of three Members with Chairperson or an Expert Member and one Judicial Member and third Member who may be either Expert Member or Judicial Member.

(5) Notwithstanding anything contained in sub-section (1), the Chairperson may transfer a Member from one Bench to another Bench.

(6) Subject to the other provisions of this Act, the Benches of the National Mining Tribunal shall ordinarily sit at National Capital Territory of Delhi (which shall be known as the Principal Bench) and at such other places as the Central Government may, by notification, specify.

57. (1) A person shall not be qualified for appointment as Chairperson of the National Mining Tribunal, unless he,-

- (a) is of not less than fifty-five years of age;
- (b) has special knowledge and experience of not less than four years in law relating to mines and mineral concessions; and
- (c) has experience of quasi-judicial functions:

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

(2) A person shall not be qualified for appointment as Judicial Member unless he,-

- (a) is of not less than fifty-five years of age;

(b) 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 or any equivalent post for at least three years, or who has been an advocate for at least ten years with experience in dealing with mining related matters.

(3) A person shall not be qualified for appointment as an Expert Members, unless he,-

(a) is of not less than fifty-five years of age;

(b) has experience in the field of mining sector at the national level, and has held the post of Joint Secretary to the Government of India or any equivalent post for at least five years.

(4) The Central Government shall within one month from the date of occurrence of any vacancy by reason of death, resignation or removal of the Chairperson or a Member and six months before the superannuation or end of tenure of the Chairperson or any Member, make a reference to the Selection Committee constituted under section 58 for filling up of the vacancy.

58. (1) The Central Government shall, for the purpose of selection of the Chairperson and Members of the National Mining Tribunal constitute a Selection Committee, consisting of the following, namely:—

(a) Cabinet Secretary – Chairperson;

(b) Secretary in the Ministry of Mines– Member;

(c) Secretary in the Ministry of Law and Justice– Member;

(d) one expert to be nominated by the Ministry of Mines– Member.

(2) The Secretary to the Government of India dealing with the mines shall be the Convenor of the meeting of the Selection Committee.

(3) The Selection Committee shall finalise the selection of the Chairperson and Members within one month from the date on which the reference is made to it.

(4) The Selection Committee shall recommend a panel of two names in order of preference for every vacancy referred to it and the Government shall make appointment from such panel.

(5) Before recommending any person for appointment as a Chairperson or a Member of the National Tribunal, the Selection Committee shall satisfy itself that such person

shall not have any financial or other interest, which is likely to affect prejudicially his functions as Chairperson or Member.

(6) No appointment of the Chairperson or a Member of the National Mining Tribunal shall be invalid merely by reason of any vacancy in the Selection Committee.

(7) Subject to the provisions of sub-sections (1) to (6), the Selection Committee may regulate its own procedure.

59. (1) The Chairperson of the National Mining Tribunal shall hold office for a term of five years from the date on which he enters upon his office or upto the age of sixty-seven years, whichever is earlier.

(2) A Member of the National Mining Tribunal shall hold office for a term of five years from the date on which he enters upon his office or upto the age of sixty-five years, whichever is earlier.

(3) 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 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 Tribunal shall be varied to their disadvantage after appointment.

60. A Chairperson and a Member of the National Mining 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 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.

61. (1) The Central Government may, by order, remove from office, the Chairperson or any Member of the National Mining Tribunal, if the Chairperson or such other Member, as the case may be, in its opinion —

(a) has been adjudged as insolvent ; or

(b) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude ;or

(c) has become physically or mentally incapable of acting as a member; or

(d) has acquired such financial or other interest as is likely to affect prejudicially his functions as a member ; or

(e) has so abused his position as to render his continuance in office prejudicial to the public interest; or

(f) has engaged at any time during his term of office in any other employment.

(2) No Chairperson or any other Member of the National Mining Tribunal shall be removed from the office except by an order of the Central Government on the ground of his proved misbehaviour or incapacity after the Central Government, has, on an inquiry , held in accordance with the procedure prescribed in his behalf by the Central Government, come to the conclusion that the Chairperson or Member, as the case may be, ought on any such ground to be removed.

(3) The Central Government may suspend Chairperson or a Member of the National Mining Tribunal, as the case may be, in respect of whom an inquiry under sub-section (2) is being initiated or pending until the Central Government has passed an order on receipt of the report of the inquiry.

62. (1) In the event of the occurrence of any vacancy in the office of the Chairperson of the National Mining Tribunal by reason of his death or resignation, the senior-most expert Member of the National Mining Tribunal shall act as the Chairperson of the Tribunal until the date on which a new Chairperson, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office.

(2) When the Chairperson of the National Mining Tribunal is unable to discharge his functions owing to absence, illness or any other cause, the senior-most expert Member of the National Mining Tribunal, shall discharge the functions of the Chairperson until date on which the Chairperson resumes his duties.

63. No act or proceeding of the National Mining Tribunal shall be invalid merely by reason of –

- (a) any vacancy in, or any defect in the constitution of, the National Mining Tribunal; or
- (b) any defect in the appointment of a person as the Chairperson or a Member; or
- (c) any irregularity in the procedure of the National Mining Tribunal not affecting the merits of the case.

64. (1) The Central Government shall determine the nature and categories of the officers and other employees required to assist the National Mining Tribunal in the discharge of its functions.

(2) The recruitment of the officers and other employees of the National Mining Tribunal shall be made by the Chairperson in such manner as may be prescribed;

(3) The officers and other employees of the National Mining Tribunal shall discharge their functions under the general superintendence of the Chairperson; and

(4) The salaries and allowances and conditions of service of the officers and other employees of the National Mining Tribunal shall be such as may be prescribed.

65. (1) Subject to the provisions of this Act, the National Mining Tribunal shall have the powers with respect to major minerals to—

(a) hear applications from the affected persons and confirm or set aside any order passed by the Central Government or the State Government, as the case may be, under this Act or the rules made thereunder as it may deem just and proper;

(b) hear applications from any affected party in relation to preparation, approval and implementation of Mining Plans and Mine Closure Plans including orders or directions issued under this Act in relation thereto;

(c) adjudicate on applications seeking directions of the Central Government or State Governments to dispose off an application, including an application for grant of mineral concession under the Act, with respect to any major mineral within such time as the National Mining Tribunal may stipulate, in such cases where the Central Government or State Government as the case may be, have failed to dispose off the application within the time specified under this Act.

(2) Subject to the provisions of this Act and the rules made thereunder, the National Mining 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.

(3) Subject to other provisions of this Act, the National Mining Tribunal may call for the records of the case and pass such order or direction in respect of the matter specified in sub-section (1), as it may deem fit:

Provided that the National Mining Tribunal shall, before passing any order or direction, under this sub-section issue notice to the Central Government or the State Government, as the case may be, and give a reasonable opportunity to the affected parties and if necessary any other authority, as the case may be, of being heard:

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

(4) The National Mining Tribunal shall have, for the purposes of discharging its functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:-

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) requiring the discovery and production of documents;
- (c) receiving evidence on affidavits;
- (d) subject to the provisions of sections 123 and 124 of the Indian Evidence Act, 1872 requisitioning any public record or document or copy of such record or document from any other.
- (e) issuing commissions for the examination of witness or documents;
- (f) reviewing its decision;
- (g) dismissing an application for default or deciding its ex parte;
- (h) setting aside any order of dismissal of any application for default or any order passed by it ex parte;
- (i) passing an interim order(including granting an injunction or stay) after providing the parties concerned an opportunity to be heard, on any applications made or appeal filed under this Act.
- (j) any other matter which may be prescribed.

(5) All proceedings before the National Mining Tribunal shall be deemed to be judicial proceedings within the meaning of sections 193, 219 and 228 for the purposes of section 196 of the Indian Penal code and the Tribunal shall be deemed to be a civil court for the purposes of section 195 and chapter XXVI of the code of Criminal Procedure, 1973.

(6) on the conclusion of proceedings, the National Mining Tribunal, shall pass such orders as it deems fit and provide such relief as may be desirable, including the award of such punitive damages, as it deems fit, to the affected party at issue.

(7) Every order made by the National Mining Tribunal, under sub-section (6) shall be signed by the Chairperson or Member or Members who heard the case and passed the order.

66. (1) Every application to the National Mining 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 the 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 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:

Provided further that a revision application shall not lie except on grounds substantially similar to those specified in section 115 of the Code of Civil Procedure, 1908.

(2) Where an application before the National Mining Tribunal is found to be frivolous or vexatious, it shall, for reasons to be recorded in writing, dismiss the application and make an order that the applicant shall pay to the respondent such costs as may be specified in the order.

67. All revision cases pending before the Central Government under section 30 of the Mines and Minerals (Development and Regulation) Act, 1957, shall, on commencement of this Act, stand transferred to the National Mining Tribunal on its establishment and to be disposed off as an application under section 66 of this Act.

68. (1) Notwithstanding anything contained in the Code of Civil Procedure, 1908 or in any other law for the time being in force, an appeal shall lie against any order, not being an interlocutory order, of the National Mining Tribunal to the High Court on one or more grounds specified in section 100 of that Code.

(2) No appeal shall lie against any decision or order made by the National Mining Tribunal with the consent of the parties.

B. STATE MINING TRIBUNAL

69. The State Government may, by notification, establish with effect from such date as may be specified therein, a Tribunal to be known as the State Mining Tribunal, to exercise jurisdiction, powers and authority conferred on such Tribunal by or under this Act.

70. The State Mining Tribunal shall consist of a full time Chairperson and two other Members of which one shall be a judicial Member and other shall be an Expert Member, to be appointed by the State Government.

71. (1) A person shall not be qualified for appointment as Chairperson of the State Mining Tribunal, unless he,-

- (a) is of not less than fifty-five years of age;
- (b) has special knowledge and experience of not less than four years in law relating to mines and mineral concessions; and
- (c) has experience of quasi-judicial functions:

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

(2) A person shall not be qualified for appointment as Judicial Member unless he,-

- (a) is of not less than fifty-five years of age;
- (b) has held a judicial office in the territory of India for at least seven years or who has been a member of the Indian Legal Service and has held a post in Grade II of that

service or any equivalent post for at least three years, or who has been an advocate for at least ten years with experience in dealing with mining related matters.

(3) A person shall not be qualified for appointment as Expert Members, unless he,-

(a) is of not less than fifty-five years of age;

(b) has experience in the field of mining sector at the State level, and has held the post of Additional Secretary in the State Government or any equivalent post for at least five years.

(4) The State Government shall within one month from the date of occurrence of any vacancy by reason of death, resignation or removal of the chairperson or a Member and six months before the superannuation or end of tenure of the Chairperson or any Member, make a reference to the Selection Committee constituted under section 72 for filling up of the vacancy.

72. (1) The State Government shall, for the purpose of selection of the Chairperson and Members of the State Mining Tribunal constitute a Selection Committee, consisting of the following, namely:—

(a) Chief Secretary – Chairperson;

(b) Principal Secretary in the Department of Mines in the State Government— Member;

(c) Secretary, Department of Legal Affairs in the State Government— Member;

(d) One expert to be nominated by the Chief Secretary— Member.

(2) The Principal Secretary to the State Government dealing with the mines shall be the Convenor of the meetings of the Selection Committee.

(3) The Selection Committee shall finalise the selection of the Chairperson and Members within one month from the date on which the reference is made to it.

(4) The Selection Committee shall recommend a panel of two names in order of preference for every vacancy referred to it and the State Government shall make appointment from such panel.

(5) Before recommending any person for appointment as a Chairperson or a Member of the State Mining Tribunal, the Selection Committee shall satisfy itself that such

person does not have any financial or other interest, which is likely to affect prejudicially his functions as Chairperson or Member.

(6) No appointment of the Chairperson or a Member of the State Mining Tribunal shall be invalid merely by reason of any vacancy in the Selection Committee.

(7) Subject to the provisions of sub-sections (1) to (6), the Selection Committee shall regulate its own procedure.

73. (1) The Chairperson of the State Mining Tribunal shall hold office for a term of five years from the date on which he enters upon his office or upto the age of sixty-seven years, whichever is earlier.

(2) A Member of the State Mining Tribunal shall hold office for a term of five years from the date on which he enters upon his office or upto the age of sixty-five years, whichever is earlier.

(3) The salary or honorarium and other allowances payable to and other terms and conditions of service of the chairperson and other members of the State Mining Tribunal shall be such as may be prescribed by the State 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 State Mining Tribunal shall be varied to their disadvantage after appointment.

74. A Chairperson and a Member of the State Mining Tribunal may, by notice in writing under his hand addressed to the State Government, resign his office:

Provided that a Chairperson and a Member of the State Mining Tribunal shall, unless he is permitted by the State 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.

75. (1) The State Government may, by order, remove from office, the Chairperson or any Member, if the Chairperson or such other Member of the State Mining Tribunal , as the case may be, in its opinion, —

- (a) has been adjudged as insolvent ; or
- (b) has been convicted of an offence which, in the opinion of the State Government, involves moral turpitude ;or
- (c) has become physically or mentally incapable of acting as a member; or
- (d) has acquired such financial or other interest as is likely to affect prejudicially his functions as a member ; or
- (e) has so abused his position as to render his continuance in office prejudicial to the public interest; or
- (f) has engaged at any time during his term of office in any other employment.

(2) No Chairperson or any other Member of the State Mining Tribunal shall be removed from office except by an order of the State Government on the ground of his proved misbehaviour or incapacity after the State Government, has, on an inquiry, held in with the procedure prescribed in his behalf by the State Government, come to the conclusion that the Chairperson or Member, as the case may be, ought on any such ground to be removed.

(3) The State Government may suspend the Chairperson or any Member of the State Mining Tribunal in respect of whom an inquiry under sub-section (2) is being initiated or pending until the State Government has passed an order on receipt of the report of the inquiry.

76. (1) In the event of the occurrence of any vacancy in the office of the Chairperson of the State Mining Tribunal by reason of his death or resignation, the senior-most expert Member of the State Mining Tribunal shall act as the Chairperson of the Tribunal until the date on which a new Chairperson, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office.

(2) When the Chairperson of the State Mining Tribunal is unable to discharge his functions owing to absence, illness or any other cause, the senior-most expert Member of the State Mining Tribunal, shall discharge the functions of the Chairperson until date on which the Chairperson resumes his duties.

77. No act or proceeding of the State Mining Tribunal shall be invalid merely by reason of –

- (a) any vacancy in, or any defect in the constitution of, the State Mining Tribunal; or
- (b) any defect in the appointment of a person as the Chairperson or a Member; or
- (c) any irregularity in the procedure of the State Mining Tribunal not affecting the merits of the case.

78. (1) The State Government shall determine the nature and categories of the officers and other employees required to assist the State Mining Tribunal in the discharge of its functions.

(2) The recruitment of the officers and other employees of the State Mining Tribunal shall be made by the Chairperson in such manner as may be prescribed;

(3) The officers and other employees of the State Mining Tribunal shall discharge their functions under the general superintendence of the Chairperson; and

(4) The salaries and allowances and conditions of service of the officers and other employees of the State Mining Tribunal shall be such as may be prescribed.

79. (1) Subject to the provisions of this Act, the State Mining Tribunal shall have the powers with respect to minor minerals to—

(a) hear applications from affected persons and confirm or set aside any order passed by the State Government, under this Act or the rules made thereunder as it may deem just and proper;

(b) hear applications from any affected party in relation to preparation, approval and implementation of Mining Plans and Mine Closure Plans including orders or directions issued under this Act in relation thereto;

(c) adjudicate on applications seeking directions to State or State Governments to dispose an application, including an application for grant of mineral concession under the Act, with respect to any minor mineral within such time as the State Mining Tribunal may stipulate, in such cases where the State and State Government have failed to dispose off the application within the time prescribed by the Act.

(2) Subject to the provisions of this Act and the rules made thereunder, the State Mining Tribunal shall have the power to regulate its own procedure and the procedure in all matters arising out of the exercise of its powers or of the discharge of its functions.

(3) Subject to other provisions of this Act, the State Mining Tribunal may call for the records of the case and pass such order or direction in respect of the matter specified in sub-section (1), as it may deem fit:

Provided that the State Mining Tribunal shall, before passing any order or direction, under this sub section issue notice to the State Government or the State Government, as the case may be, and give a reasonable opportunity to the affected parties and if necessary any other authority, as the case may be, of being heard:

Provided further that the State Mining Tribunal shall dispose of 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.

(4) The State Mining Tribunal shall have, for the purposes of discharging its function under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:-

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) requiring the discovery and production of documents;
- (c) receiving evidence on affidavits;
- (d) subject to the provisions of sections 123 and 124 of the Indian Evidence Act, 1872 requisitioning any public record or document or copy of such record or document from any other.
- (e) issuing commissions for the examination of witness or documents;
- (f) reviewing its decision;
- (g) dismissing an application for default or deciding its ex parte;
- (h) setting aside any order of dismissal of any application for default or any order passed by it ex parte;
- (i) pass an interim order(including granting an injunction or stay) after providing the parties concerned an opportunity to be heard, on any applications made or appeal filed under this Act;
- (j) any other matter which may be prescribed.

(5) All proceedings before the State Mining Tribunal shall be deemed to be judicial proceedings within the meaning of sections 193, 219 and 228 for the purposes of section 196 of the Indian Penal code and the Tribunal shall be deemed to be a civil court for the purposes of section 195 and chapter XXVI of the code of Criminal Procedure, 1973.

(6) on the conclusion of proceedings, the State Mining Tribunal, shall pass such orders as it deems fit and provide such relief as may be desirable, including the award of such punitive damages, as it deems fit, to the affected party at issue.

(7) Every order made by the State Mining Tribunal, under sub-section (6) shall be signed by the Chairperson or Member or Members who heard the case and passed the order.

80. (1) Every application to the State Mining 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, 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 State Mining 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:

Provided further that a revision application shall not lie except on grounds substantially similar to those specified in section 115 of the Code of Civil Procedure, 1908.

(2) Where an application before the State Mining Tribunal is found to be frivolous or vexatious, it shall, for reasons to be recorded in writing, dismiss the application and make an order that the applicant has to pay to the respondent such costs as may be specified in the order.

81. (1) Notwithstanding anything contained in the Code of Civil Procedure, 1908 or in any other law for the time being in force, an appeal shall lie against any order, not being an interlocutory order, of the State Mining Tribunal to the High Court on one or more grounds specified in section 100 of that Code.

(2) No appeal shall lie against any decision or order made by the State Mining Tribunal with the consent of the parties.

CO-ORDINATION COMMITTEES AND NATIONAL REPOSITORIES

82. (1) The Central Government shall, by notification, constitute a Central Coordination-cum-Empowered Committee consisting of representatives of the Central Government and the State Governments to achieve the objects of the Act.

(2) The functions of the Central Coordination-cum-Empowered Committee shall be such as may be notified.

(3) Without prejudice to the provisions of the foregoing, the Central Coordination-cum-Empowered Committee may consider and make recommendations regarding any of the following, namely:-

- (a) improvement in procedure for grant of mineral concessions;
- (b) coordination among agencies entrusted with according statutory clearance;
- (c) maintenance of internet-based databases including a mining tenement registry;
- (d) development, implementation and evaluation of sustainable development framework; and
- (e) prevention and detection of illegal mining.

(4) The Central Coordination-cum-Empowered Committee shall meet at least once in two months.

83. (1) The State Government shall by notification constitute a State Coordination-cum-Empowered Committee with representatives of the concerned Departments of State Government, headed by Chief Secretary or Additional Chief Secretary of the State Government;

(2) The function of the State Coordination-cum-Empowered Committee shall be,-

- (i) to oversee clearance by various Departments of the State Government necessary to ensure timely grant of mineral concessions;
- (ii) review of activities in and around leased areas pursuant to the Corporate Social Responsibility document;
- (iii) to monitor implementation of Final Mine Closure Plans in consonance with the Sustainable Development Framework;
- (iv) coordination of operations for prevention, detection and prosecution of cases of illegal mining; and
- (v) any other functions as may be prescribed;

(3) The State Coordination-cum-Empowered Committee shall meet at least once in two months.

84. The Central Government may, by notification, establish a National Drill Core Repository for preservation and archiving of drill cores generated during mineral exploration and a National Geophysical Data Repository for holding, authenticating and disseminating geophysical data for the purposes of Act.

(2) The Repositories shall be managed or maintained in such manner as may be prescribed by the Central Government.

(3) The holder of any mineral concession shall, at his own expense, cause to be deposited,-

(a) a representative portion of cores selected with the National Drill Core Repository;
and

(b) all geophysical data collected by him during or part of his reconnaissance and large area prospecting operation,

with the National Drill Core Repository and National Geophysical Data Repository respectively, in such manner as may be prescribed by the Central Government.

(4) The Repositories, referred to in sub-section (3) shall not disclose information with respect to any core received by it under this section till after lapse of six months from the date of termination of the mineral concession.

SPECIAL COURTS

85.(1) The State Government may, for the purposes of providing speedy trial of offences referred to in sections 90, 91, 92 and 93 by notification, constitute as many Special Courts as may be necessary for such area or areas, as may be specified in the notification.

(2) A Special Court shall consist of a single Judge who shall be appointed by the State Government with the concurrence of the High Court.

(3) A person shall not be qualified for appointment as a Judge of a Special Court unless he was, immediately before such appointment, an Additional District and Sessions Judge.

(4) Where the office of the Judge of a Special Court is vacant, or such Judge is absent from the ordinary place of sitting of such Special Court, or he is incapacitated by illness or otherwise in the performance of his duties, any urgent business as the Special Court shall be disposed off in accordance with the direction of District and Sessions Judge having jurisdiction over the ordinary place of sitting of the Special Court, as notified under sub- section (1):

Provided that the High Court of the State may, in case it is necessary or expedient to do so, direct that any business of the special court as may be specified shall be disposed off by any other Special Court or person qualified to be a judge of a Special Court.

86.(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, every offence punishable under sections 89, 90, 91 and 92 of this Act shall be triable only by the Special Court within whose jurisdiction such offence has been committed.

(2) Where it appears to any court in the course of any inquiry or trial that an offence punishable under sections 90, 91, 92 and 93 of this Act in respect of any offence that the case is one which is triable by a Special Court constituted under this Act for the area in which such case has arisen, it shall transfer such case to such

Special Court, and thereupon such case shall be tried and disposed of by such Special Court in accordance with the provisions of this Act :

Provided that it shall be lawful for such Special Court to act on the evidence, if any, recorded by any court in the case of presence of the accused before the transfer of the case to any Special Court :

Provided further that if such Special Court is of opinion that further examination, cross-examination and re-examination of any of the witnesses whose evidence has already been recorded, is required in the interest of justice, it may re-summon any such witness and after such further examination, cross-examination or re-examination, if any, as it may permit, the witness shall be discharged.

(3) The Special Court may, notwithstanding anything contained in sub-section (1) of section 260 or section 262 of the Code of Criminal Procedure, 1973, try the offence referred to in sections 89, 90, 91 and 92 of this Act in a summary way in accordance with the procedure prescribed in the said Code and the provisions of sections 263 to 265 of the said Code shall, so far as may be, apply to such trial :

Provided that where in the course of a summary trial under this sub-section, it appears to the Special Court that the nature of the case is such that it is undesirable to try such case in summary, the Special Court shall recall any witness who may have been examined and proceed to re-hear the case in the manner provided by the provisions of the said Code for the trial of such offence:

Provided further that in case of any conviction in a summary trial under this section, it shall be lawful for a special court to pass a sentence of imprisonment for a term not exceeding five years.

(4) A Special Court may, with a view to obtaining the evidence of any person supposed to have been directly or indirectly concerned in or privy to, any offence tender pardon to such person on condition of his making a full and true disclosure of the circumstances within his knowledge relating to the offence and to every other person concerned whether as principal or abettor in the commission thereof, and any

pardon so tendered shall , for the purposes of section 308 of the Code of Criminal Procedure,1973, be deemed to have been tendered under section 307 thereof.

(5) The Special Court may determine the civil liability against a person in terms of money for raising, transporting or causing to be raised or transported without any lawful authority any mineral from any land, which shall not be less than an amount equivalent to two times of the value of mineral and the amount of liability so determined shall be recovered as if it were a decree of civil court.

(6) The civil liability so determined finally by the Special Court shall be payable to the State Government or to the person in whom the mineral vests, as the case may be.

Explanation.- For the purposes of this section, civil liability means loss or damage incurred by the State Government or concerned authorities, as the case may be, due to the commission of an offence, under sections 90, 91,92 and 93.

87. Save as otherwise provided in this Act, the Code of Criminal Procedure, 1973, in so far as they are not inconsistent with the provisions of this Act, shall apply to the proceedings before the Special Court, and the Special Court shall be deemed to be a Court of Session and shall have all powers of a Court of Session and the person conducting a prosecution before the Special Court shall be deemed to be a Public Prosecutor.

88. The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973, as if the Special Court within the local limits of the jurisdiction of the High Court is a District Court, or as the case may be, the Court of Session, trying cases within the local limits of jurisdiction of the High Court.

89. The Special Court may, on a petition or otherwise and in order to prevent miscarriage of justice, review its judgment or order passed under this section, but no such review petition shall be entertained except on the ground that it was such order passed under a mistake of fact, ignorance of any material fact or any error apparent on the face of the record:

Provided that the Special Court shall not allow any review petition and modify or set aside its previous order or judgment without hearing the parties affected.

OFFENCES AND PENALTIES

90. (1) Whoever contravenes any of the provisions of section 4, shall be punished with imprisonment for a term which may extend to,-

(i) in cases of exploration without licence, three years, or with fine which may extend to twenty-five thousand rupees per hectare or part thereof, or with both;

(ii) in cases of mining without a lease, three years, or with fine which may extend to ten times the value of the mineral mined, or with both.

91. A lessee, who fails to implement a Final Mine Closure Plan in accordance with the provisions of this Act, or, abandons the mine or any portion of the mining lease area, which is likely to be a danger to the health and safety of the inhabitants of the area, shall be liable to a penalty which may extend to ten thousand rupees per day for the period of such default.

92. 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 or any other law for the time being in force shall be liable to a penalty which may extend to ten thousand rupees per day for the period of such disobedience.

93. Whoever contravenes any provision of this Act or the rules made thereunder shall, if no penalty is provided elsewhere 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 one thousand rupees for every day during which such contravention continues after conviction for the first such contravention.

94. (1) Whenever any person raises, without any lawful authority, any mineral from any land, without prejudice to any other action under the law for the time being in force, the State Government may recover from such person, or from such other person

to whom the mineral may have been transferred, the mineral so raised, and the cost of its disposal or, where such mineral has already been disposed off, the price of the mineral so disposed off, and may also recover from such person, rent, royalty, tax or cess, as the case may be, for the period during which the land was occupied by such person without such lawful authority.

(2) 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, any officer empowered by the Central Government or the State Government, as the case may be, may by general or special order in this behalf seize such mineral, tool, equipment, vehicle or any other thing, and the court having jurisdiction may order the confiscation and disposal of any such mineral, tool, equipment, vehicle or any other thing so seized.

95. (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 directly in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of offence and 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 by the company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and 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; and

(b) “director” in relation to a firm means a partner in the firm.

96. No court shall take cognizance of any offence punishable under this Act or any rules made thereunder except upon a complaint in writing made by a person authorised in this behalf by the Central Government or the State Government, as the case may be.

97. (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 96 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 the compounding fee at such rate as may be prescribed which shall not exceed two times the maximum rate of the fine for the offence:

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.

98. (1) 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, large area prospecting 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 on or 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, large area prospecting licence, prospecting licence or mining lease, as the case may be:

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

99. (1) Any director, manager, secretary or other officer of the company, or any other person convicted of an offence punishable under this Act, or a company or its director, manager, secretary or any other person punishable with fine under this Act, such company or its director, manager, secretary or other officer or any other such person shall be ineligible for the purpose of grant of any mineral concession under this Act for a period of five years from the date of conviction, or imposition of fine, as the case may be.

(2) If any person convicted of an offence under sections 89 and 90 of this Act holds a mineral concession under this Act at the time of such conviction, the State Government may, having regard to the nature and gravity of the offence, may cancel or determine any or all such mineral concessions:

Provided that in respect of a mineral concession relating to land the minerals of which vest in a private person, the Government may direct such person to determine the lease:

Provided further that no such order shall be made without giving an opportunity of being heard to the person holding the mineral concession after recording reasons:

Provided also that provisions of sub-section (3) of section 30 shall, mutatis-mutandis, apply to every such case under this section .

MISCELLANEOUS

100.(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, referred to in clause (d); and
- (f) examine any person having the control of, or connected with, any mine.

Explanation.- For the purposes of this sub-section, the expression “record” as referred to in clause (t) of section 2 of the Information Technology Act, 2000.

(2) Every person authorised by the Indian Bureau of Mines or the 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, 1860 and every person to whom an order or summons is issued by virtue of the power conferred by clause (c) or clause (f) of sub-section (1) shall comply with such order or summons, as the case may be.

101. (1) If any officer of the Central Government 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 the 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, as the case may be, in this behalf, by general or special order, may,-

- (a) enter and inspect any mine or mineral bearing area;
- (b) survey and take measurements in any such mine or area;
- (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 or mining operations 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 or mining operations.

Explanation.- For the purposes of this section, the expression 'Record' includes electronic record as referred to in clause (t) of section 2 of the Information Technology Act, 2000.

(3) Every person authorised by the Central Government or a State Government, as the case may be, under sub-section (1) shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code, 1860 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 comply with such order or summons, as the case may be.

Explanation.- For the purposes of this section, the expression "Mining operations" includes any activity relating to the raising of any mineral, whether licenced or not.

102. The Central Government may, by notification, declare any mineral as a major mineral for all or any specified purpose or omit any mineral from the list of major minerals, and upon doing so, the First Schedule to the Act shall be deemed to have been amended.

103. (1) It shall be the duty of the Indian Bureau of Mines or any authority of the Central Government, as may be designated in respect of coal and atomic minerals, to

render such assistances as may be required by the State Government to ensure that mining activities are regulated in accordance with the provisions of this Act.

(2) Where the Indian Bureau of Mines or authority designated under sub-section (1), on the basis of information available to it is of the opinion that the provisions of this Act and the rules made thereunder are not being complied with and that illegal or unscientific mining is going on in any State, the Indian Bureau of Mines or such authority shall make a report to this effect to the Central Government, and for this purpose the Central Government may issue such direction as it may consider necessary to the State Government, relating to all or any of the following matters, namely:-

- (a) investigation and prosecution of offences;
- (b) revocation of mineral concessions; and
- (c) any measures to strengthen the administrative machinery in connection with the mining.

(3) Where it appears to the Central Government that the directions referred to in sub-section (2) have not been complied with or where it appears that despite the purported compliance of the directions further steps are necessary, the Central Government may direct authority referred to in sub-section (2), for:-

- (a) investigation and prosecution of offences;
- (b) revocation of mineral concessions in accordance with the provisions of the Act; and
- (c) any other measures as may be deemed fit in the circumstances.

104. Where in any case previous approval of the Central Government is required under this Act or the rules made thereunder, the application for such approval shall be made to the Central Government along with the recommendations of the State Government on the matters for which the prior approval of the Central Government is sought.

105. No civil court shall have jurisdiction to entertain any suit or proceedings in respect of any matter which the Special Court or the National Mining Tribunal and the State Mining 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.

106. (1) The Central Government may, by notification, 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 also exercisable 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 may, 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 rule 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.

107. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

(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 form and manner of application to be made to the State Governments alongwith application fee and earnest money under sub-section (5) of section 4;
- (b) submission of report relating to the reconnaissance and prospecting operations by the Government agencies to the State Government under sub-section (9) of section 4;
- (c) the manner in which a person registered with Indian Bureau of Mines or the State Directorate or any other agency authorised by the Central Government under sub-section (1) of section (5) ;
- (d) identification of mineral or group of associated minerals for the purpose of granting of large area prospecting licences under sub-section (1) of section 6;

- (e) the manner of surrender of area out of licence by the holder of a reconnaissance licence, large area prospecting and prospecting licence under sub-section (5) of section 6;
- (f) procedure and condition for grant of mining lease for small deposits under sub-section (6) of section 6;
- (g) the manner of extension of mining lease under sub-section (6) of section 7;
- (h) the manner, terms and conditions in which competitive bidding and auction for coal minerals to take place under sub-section (6) of section 8;
- (i) the manner of obtaining prior approval of the Department of Atomic Energy under the second proviso to sub-section (4) of section 13;
- (j) the manner of evaluation of bids under sub-section (6) section 13;
- (k) the manner of inviting applications in grant of mineral concessions for coal minerals under sub-section (8) of section 13;
- (l) the amount of fee to be charged by the State Governments for transfer of the mineral concession under sub-section (6) of section 17;
- (m) the other particulars for transfer of mining lease in clause (c) of sub-section (4) of section 18;
- (n) the fee to be charged for transfer of mining lease in case of a major mineral under sub-section (7) of section 18;
- (o) the manner of submission of reconnaissance plan under clause (b) of sub-section (1) of section 19;
- (p) the manner of providing data by the licence holder within such intervals under clause (c) of sub-section (1) of section 19;
- (q) the manner of submitting reports by the licence holder within such intervals under clause (f) of sub-section (1) of section 19;
- (r) the other conditions for grant of reconnaissance licence under clause (l) of sub-section (1) of section 19;
- (s) the general conditions relating to the reconnaissance licence under sub-section (2) of section 19;
- (t) the form and manner of application to be made to the State Governments alongwith application fee and earnest money under sub-section (1) of section 20;
- (u) the manner of acknowledging and registering of applications under sub-section (2) of section 20;

(v) conditions for large area prospecting licence and prospecting licence to be fulfilled by the licence holder under sub-section (1) of section 21;

(w) the form and manner of application to be made to the State Governments for grant of large area prospecting licence and prospecting licence alongwith application fee and earnest money under sub-section (1) of section 22;

(x) the manner of acknowledging and registering of applications under sub-section (2) of section 22;

(y) the manner of submission of report relating to the prospecting operations by the holder of prospecting licence to the State Government under sub-section (2) of section 23;

(z) the manner of preparation of mining plan under clause (a) of sub-section (1) of section 24;

(za) the manner and period of submission of report relating to the data relating to mining lease under sub-section(1) of section 24;

(zb) the manner of restoration of a mining area under clause (n) of sub-section (1) of section 24;

(zc) the amount of security deposits to be paid by the lessee under clause (p) of sub-section (1) of section 24;

(zd) conditions for mining to be fulfilled by the lessee under clause (q) of sub-section (1) of section 24;

(ze) the manner of acknowledging and registering of applications under sub-section (2) of section 25;

(zf) general conditions to be fulfilled for grant of mining lease under sub-section (3) of section 25;

(zg) empanelment of qualified persons for preparation of mining plan under sub-section (4) and (5) of section 26;

(zh) technical and management capability of the State Directorate for grant of approval for major minerals under sub-section (7) of section 26;

- (zi) the manner of extension of mining lease under sub-section (1) of section 28;
- (zj) the procedure for condoning delay and revival or commencement or re-commencement of mining operations under sub-section (4) of section 29;
- (zk) procedure of determination of mining lease under section 30;
- (zl) manner of preparation of progressive mine closure plan and final mine closure plan under section 32;
- (zm) the manner of determination of costs of mine closure under sub-section (4) of section 33;
- (zn) sustainable development framework under sub-section (4) of section 45;
- (zo) matters in which State Government may issue directions under section 46;
- (zp) the manner and availability of reports to such persons and at such costs under sub-section (7) of section 47;
- (zq) maintenance of accounts in respect of National Mineral Fund under sub-section (1) of section 51;
- (zr) the salary and other allowances payable to and other terms and conditions of service of the Chairperson and other members of the National Mining Tribunal under sub-section (3) of section 59;
- (zs) the manner of removal of Chairperson or any Member of National Mining Tribunal under sub-section (2) of section 61;
- (zt) the manner of recruitment, salaries, allowances and conditions of service of officers and other employees of National Mining Tribunal under section 64;
- (zu) powers of National Mining Tribunal under section 65;
- (zv) the form and manner of application to National Mining Tribunal alongwith application fee under section 66;

(zw) the manner of managing the National Repositories and the data under section 84; and

(zx) any other matter which is to be, or may be prescribed under this Act

108. (1) The State Government may, by notification, make rules for carrying out the provisions of this 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 procedure for notification for grant of mineral concession of minor mineral under sub-section (9) of section 13;

(b) the fee to be charged for the transfer of the mining lease in case of a minor mineral under sub-section (7) of section 18;

(c) the rate and in the manner of levy of surface rent and water rate under clause (e) of sub-section (1) of section 24;

(d) the manner of compensation in case of premature termination of mining lease sub-section (2) of section 31;

(e) the manner of payment of compensation to the owner of surface, usufruct and traditional rights under section 42;

(f) the manner of administration of State Mineral Fund under sub-section (3) of section 52;

(g) the manner of audit of State Mineral Fund under section 54;

(h) the terms of office, salaries and allowances of the Chairperson and members of State Mining Tribunal under sub-section (3) of section 73 ; and

(j) any other matter which is to be, or may be prescribed under this Act.

109. (1) Every rule made under this Act, or notification issued under section 102 of this Act, shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both the Houses agree in making any modification in the rule or notification or both Houses agree that the rule or notification should not be made or issued, the

rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under the rule or notification.

(2) Every rule made by the State Government under this Act shall be laid as soon as may be, after it is made, before the State Legislature, where it consists of two Houses, or where such legislature consists of one House, before that House.

110. The Chairperson and other Members and the officers and other employees of the National Mining Tribunal and State Mining Tribunal shall be deemed to be the public servants within the meaning of section 21 of the Indian Penal Code.

111. The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other laws for the time being in force.

112. 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.

113. (1) Applications received under the Mines and Minerals (Development and Regulation) Act, 1957, and pending for grant of mineral concessions before commencement of this Act shall be disposed off in accordance with the provisions of this Act:

Provided that such applications which have received prior approval of the Central Government under the Mines and Minerals (Development and Regulation) Act, 1957, shall be processed under the provisions of this Act as if those applications have the approval of the competent authority under this Act:

(2) Where the applications for prospecting licence on a notified area are pending for consideration under section 11 of the Mines and Minerals (Development and Regulation) Act, 1957, at the commencement of this Act, the State Government may invite offers from the valid applications other than such applications that have already been disposed off in accordance with the provisions of section 13 of this Act.

Explanation.- For the purposes of this section, in respect of time limit for disposal of such applications, the period shall be reckoned from the date of commencement of this Act;

(3) A person who has been issued a letter of intent for mining lease prior to the commencement of this Act shall be deemed to have been issued a letter of intent under this Act.

(4) In case where the applications for mining lease received before the commencement of this Act are declared ineligible or rejected, the area applied under such applications shall be notified in accordance with the provisions of sub-section (3) of section 25.

(5) Applications for renewal of mineral concessions made under the Mines and Minerals (Development and Regulation) Act, 1957 and pending on the date of commencement of this Act shall be disposed off as applications for extension in accordance with the provisions of this Act.

(6) A person who holds a reconnaissance permit prior to the commencement of this Act shall be entitled to continue to hold the permit to the exclusion of all others for a period of two years or till the validity of the permit whichever is earlier and during such period no other reconnaissance or large area prospecting licence applications shall be entertained for the area covered by the reconnaissance permit, and the permit holder shall be deemed to be the holder of a reconnaissance licence for the purpose of sub-section (6) of section 22.

114. (1) The Mines and Minerals (Development and Regulation) Act, 1957 is hereby repealed.

(2) All rules made under the Mines and Mineral (Development and Regulation) Act, 1957, not inconsistent with the provisions of this Act, shall be deemed to have been made under this Act where such rules were made and shall continue in force unless and until they are superseded or amended by any rules made under this Act.

(3) All acts done, proceedings taken or notifications or orders issued and sentences passed under the Mines and Minerals (Development and Regulation) Act, 1957, shall be valid and operative as if they had been done, taken, passed or issued in accordance with the provisions of this Act, 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 the provisions of this Act.

(4) 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.

(5) The mention of particular matters in sub-section (4) shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897, with regard to the effect of repeal.

115. If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published make such provisions not inconsistent with the provisions of this Act, as may appear to be necessary for the purpose of removing the difficulty:

Provided that no such order shall be made under this section after the expiry of the two years from the date of the commencement of this Act.

THE FIRST SCHEDULE

(See section 3)

PART A. Coal minerals

1. Coal and Lignite.

PART B. Atomic Minerals

1. Beryl and other beryllium-bearing minerals.
2. Lithium-bearing minerals.
3. Monazite and other thorium ore minerals including rare earth minerals
4. Niobium-bearing minerals.
5. Phosphorites and other phosphatic ores containing Uranium.
6. Tantalum-bearing minerals.
7. Thorium (monazite) bearing tailings left over from ores or beach sand mineral deposits after extraction of ilmenite or other heavy minerals.
8. Uranium, pitchblende and other uranium ore minerals
9. Uranium bearing tailings left over from ores after extraction of copper and gold.
10. Zirconium bearing minerals and ores including zircon.

PART C. Major Minerals

1. Asbestos
2. Andalusite
3. Antimony
4. Agate
5. Alexandrite
6. Apatite
7. Ball Clay
8. Bauxite

9. Barytes
10. Calcite
11. Cadmium
12. Chalk
13. China clay/ kaolin
14. Clay (Others including white shale and white clay)
15. Chromite
16. Cobalt ore
17. Copper ore
18. Corundum
19. Diamond
20. Diaspore
21. Dolomite
22. Dunite
23. Emerald
24. Felspar
25. Felsite
26. Fireclay (including plastic, pipe, lithomargic and natural pozzolanic clay)
27. Fluorite (fluorspar)
28. Garnet (abrasive & Gem)
29. Gold ore
30. Graphite
31. Gypsum
32. Iron ore (including BIF)
33. Jasper
34. Kyanite
35. Laterite
36. Lead ore
37. Limekankar (but other than notified as minor minerals)
38. Limeshell (but other than notified as minor minerals)
39. Limestone (but other than notified as minor minerals)
40. Magnesite
41. Manganese ore
42. Marl

43. Mica
44. Molybdenum ore
45. Nickel Ore
46. Ochre
47. Opal
48. Perlite
49. Phosphorite/ rock phosphate
50. Potash
51. Pyrites
52. Pyrophyllite
53. Pyroxenite
54. Quartz
55. Quartzite (including fulschite but other than notified as minor minerals)
56. Rock Salt
57. Ruby
58. Sapphire
59. Silica Sand moulding sand (but other than notified as minor minerals)
60. Selenite
61. Shale (but other than notified as minor minerals)
62. Sillimanite
63. Silver ore
64. Slate (but other than notified as minor minerals)
65. Steatite /Talc/Soapstone
66. Sulphur (Native)
67. Tin ore
68. Titanium ore and concentrates (Ilmenite, Rutile and Leucoxene)
69. Tungsten ore
70. Vanadium ore
71. Vermiculite
72. Wollastonite
73. Zinc ore
74. Any other mineral with industrial use not listed above (but other than notified minor minerals).

THE SECOND SCHEDULE (See section 40)

RATES OF ROYALTY

1. Apatite and Rock Phosphate

(i) Apatite (all grades) : Five per cent of sale price on ad valorem basis.

(ii) Rock Phosphate : Eleven per cent of sale price on ad valorem basis.

(a) Above 25 per cent P_2O_5 Six per cent of sale price on ad valorem basis.

(b) Up to 25 per cent P_2O_5

2. Asbestos : Eight hundred eighty rupees per tonne.

(a) Chrysotile

Fifteen per cent of sale price on ad valorem basis.

(b) Amphibole

3. Barytes

Five and half per cent of sale price on ad valorem basis.

4. Bauxite and Laterite

(a) Zero point five zero per cent of London Metal Exchange Aluminium metal price chargeable on the contained aluminium metal in ore produced for those despatched for use in alumina and aluminium metal extraction.

(b) Twenty five percent of sale price on ad valorem basis for those despatched for use other than alumina and aluminium metal extraction and export.

5. Brown Ilmenite

Two per cent of sale price on ad valorem basis.

(Leucoxene),

Ilmenite, Rutile and Zircon

6. Cadmium	Fifteen per cent of sale price on ad valorem basis.		
7. Calcite	Fifteen per cent of sale price on ad valorem basis.		
8. China clay/Kaolin (including ball clay, white shale and white clay)			
(a) Crude	Eight per cent of sale price on ad valorem basis.		
(b) Processed (including washed)	Ten per cent of sale price on ad valorem basis.		
9. Chromite	Ten per cent of sale price on ad valorem basis.		
10. COAL & LIGNITE :			

A. Coal produced in all States and Union territories except the State of West Bengal.

(1) Royalty on Coal:

The rates of royalty, which shall be a combination of specific and ad valorem rates of royalty which shall be as follows :

$$R \text{ (Royalty Rupees tonnes)} = a + bP$$

Where 'P' (price) shall mean basic pithead price of ROM (run-of-mine) coal and lignite as reflected in the invoice, excluding taxes, levies and other charges and the values of 'a' (fixed component) and 'b' (variable or ad-valorem component) would

be as follows :

Group	Grade of Coal	Royalty on coal in Rupees per tonne
Group-I	Steel Gr.I	a = Rs.180.00
	Steel Gr.II	b = 5 per cent
	Washery-I Direct Feed	i.e. Rs.180 + 5 per cent where 'P' (price) shall mean basic pithead price of ROM (run-of-mine) coal and lignite as reflected in the invoice, excluding taxes, levies and other charges.
Group-II	Washery-II	a=Rs.130.00
	Washery-III	b = 5 per cent
	Semi Coking Gr.I Semi Coking Gr.II Grade A Grade B	i.e. Rs.130 + 5 per cent where 'P' (price) shall mean basic pithead price of ROM (run-of-mine) coal and lignite as reflected in the invoice, excluding taxes, levies and other charges.
Group-III	Washery-IV	a=Rs.90.00
	Grade C	b = 5 per cent
		i.e. Rs.90 + 5 per cent where 'P' (price) shall mean basic pithead price of ROM (run-of-mine) coal and lignite as reflected in the invoice, excluding taxes, levies and other charges.
Group-IV	Grade D	a=Rs.70.00
	Grade E	b = 5 per cent
		i.e. Rs.70 + 5 per cent where 'P' (price) shall mean basic pithead price of ROM (run-of-mine) coal and lignite as reflected in the invoice, excluding taxes, levies and other charges.
Group-V	Grade F	a=Rs.55.00
	Grade G	b = 5 per cent
		i.e. Rs.55 + 5 per cent where 'P' (price) shall mean basic pithead price of ROM (run-of-mine) coal and lignite as reflected in the invoice, excluding taxes, levies and other charges.

(2) Royalty on Lignite :

a = Rs.45.00
b = 2 per cent

i.e. Rs.45 + 2 per cent of basic pithead price of ROM (run-of-mine) coal lignite as reflected in the invoice excluding taxes, levies and other charges.

(3) Royalty on middlings:

(i) Useful Heat Value>1300 rate applicable to corresponding grade of coal (based on Useful Heat Value);

(ii) Useful Heat Value=<1300 a=Rs.45 b=5 per cent of price

i.e. Rs.45 + 5 per cent of existing actual involve price (excluding taxes and other levies).

The royalty shall not be charged on such middlings or rejects wherein royalty has been charged on raw coal price to its washing in order to avoid double charging of royalty.

(4) Adjustment of royalty against levying of cess:

For States other than West Bengal that levy cess or other taxes specific to coal bearing lands, the royalty allowed shall be adjusted for the local cesses or such taxes so as to limit the overall revenue to the formula based yield.

B.	Coal produced in the State of West Bengal:			
(i) Group of Coals :				
(a) Coking coal	Seven rupees only per tonne.			
Steel Grade-I				
Steel Grade-II				
Washery Grade-I				
(ii) Group II of Coals:				
(a) Coking Coal Washery Grade-II	Six rupees and fifty paise only per tonne			
Coking Coal Washery Grade-III				
(b) Semi-Coking Coal Grade-I				
Semi-Coking Coal Grade-II				
(c) Non-Coking Coal Grade-A				
Non-Coking Coal Grade-B				
(iii) Group III of Coals:				
(a) Coking Coal Washery Grade-IV	Five rupees and fifty paise only per tonne			
(b) Non-Coking Coal Grade-C				
(iv) Group IV of Coals:				
(a) Non-Coking Coal Grade-D	Four rupees and thirty paise only per tonne			
(b) Non-Coking Coal Grade-E				
(v) Group V of Coals:				
(a) Non-Coking Coal Grade-F	Two rupees and fifty paise only per tonne			
(b) Non-Coking Coal Grade-G				
11. Columbite-tantalite	Ten per cent of sale price on ad valorem basis			
12. Copper	Four point two per cent of London Metal Exchange copper metal price chargeable on the contained copper metal in ore produced.			
13. Diamond	Eleven point five per cent of sale price on ad valorem basis.			
14. Dolomite	Sixty-three rupees per tonne.			
15. Felspar	Twelve per cent of sale price on ad valorem basis			
16. Fireclay (including plastic, pipe, lithomargic and natural pozzolanic clay)	Twelve per cent of sale price on ad valorem basis.			
17. Fluorspar (also called fluorite)	Six point five per cent of sale price on ad valorem basis			
18. Garnet :				

	(a) Abrasive	Three per cent of sale price on ad valorem basis.		
	(b) Gem	Ten per cent of sale price on ad valorem basis		
	19. Gold :			
	(a) Primary	Two per cent of London Bullion Market Association price (commonly referred to as "London Price") chargeable on the contained gold metal in ore produced.		
	(b) By-product gold	Three point three per cent of London Bullion Market Association price (commonly referred to as " London Price") chargeable on by-product gold metal actually produced.		
	20. Graphite :			
	(a) with 40 per cent or more fixed carbon	Two per cent of sale price on ad valorem basis.		
	(c) with less than 40 per cent fixed carbon	Twelve per cent of sale price on ad valorem basis		
	21. Gypsum	Twenty per cent of sale price on ad valorem basis.		
	22. Iron Ore (lumps, fines & concentrates all grades):	Ten per cent of sale price on ad valorem basis.		
	23. Lead	Seven per cent of London Metal Exchange lead metal price chargeable on the contained lead metal in ore produced. Twelve point seven per cent of London Metal Exchange lead metal price chargeable on the contained lead metal in the concentrate produced.		
	24. Limestone :			
	(a) L.D. grade (less than one and half per cent silica content)	Seventy two rupees per tonne.		
	(b) Others	Sixty three rupees per tonne		
	25. Lime kankar	Sixty three rupees per tone		
	26. Limeshell	Sixty three rupees per tonne		
	27. Magnesite	Three per cent of sale price on ad valorem basis.		
	28. Manganese :			
	(a) Ore of all grades	Four point two per cent of sale price on ad valorem basis.		
	(b) Concentrates	One point four per cent of sale price on ad valorem basis.		
	29. Crude Mica, Waste Mica and Scrap Mica	Four per cent of sale price on ad valorem basis.		
	30. Monazite	One hundred and twenty five rupees per tonne.		
	31. Nickel	Zero point one two per cent of London Metal Exchange nickel metal price chargeable on contained nickel metal in ore produced.		
	32. Ochre	Twenty rupees per tonne.		
	33. Pyrites	Two per cent of sale price on ad valorem basis.		
	34. Pyrophyllite	Twenty per cent of sale price on ad valorem basis.		
	35. Quartz	Fifteen per cent of sale price on ad valorem basis.		
	36. Ruby	Ten per cent of sale price on ad valorem basis.		
	37. Silica sand, Moulding sand and Quartzite	Eight per cent of sale price on ad valorem basis.		
	38. Sand for Stowing	Three rupees per tonne		
	39. Selenite	Ten per cent of sale price on ad valorem basis.		
	40. Sillimanite	Two and half per cent of sale price on ad valorem		

	<p>41. Silver (a) By-product</p> <p>(b)Primary silver</p> <p>42. Slate</p> <p>43. Talc, Steatite and Soapstone</p> <p>44. Tin</p> <p>45. Tungsten</p> <p>46. Uranium</p> <p>47. Vanadium</p> <p>48. Vermiculite</p> <p>49. Wollastonite</p> <p>50.Zinc</p> <p>51. All other minerals not here-in-before specified [Agate, Chalk, Clay(Others), Corundum, Diaspore, Dunite, Felsite, Fuschite, Kyanite, Quartzite, Jasper, Perlite, Rock Salt, Shale, Pyroxenite, etc.]</p>	<p>basis.</p> <p>Seven per cent of London Metal Exchange price chargeable on by-product silver metal actually produced.</p> <p>Five per cent of London Metal Exchange silver metal price chargeable on the contained silver metal in ore produced.</p> <p>Forty five rupees per tonne</p> <p>Eighteen per cent of sale price on ad valorem basis.</p> <p>Seven point five per cent of London Metal Exchange tin metal price chargeable on the contained tin metal in ore produced</p> <p>Twenty rupees per unit per cent of contained WO3 per tonne of ore and on pro rata basis.</p> <p>Royalty on mineral uranium at the rate of two per cent of the compensation amount received by M/s. Uranium Corporation of India Limited (UCIL), for the mineral uranium and the total amount of royalty will be apportioned among the different states on the basis of data provided by Deptment of Atomic Energy.</p> <p>Twenty per cent of sale price on ad valorem basis.</p> <p>Three per cent of sale price on ad valorem basis.</p> <p>Twelve per cent of sale price on ad valorem basis.</p> <p>Eight per cent of London Metal Exchange zinc metal price on ad valorem basis chargeable on contained zinc metal in ore produced.</p> <p>Eight point four per cent of London Metal Exchange zinc metal price on ad valorem basis chargeable on contained zinc metal in concentrate produced.</p> <p>Ten per cent of sale price on ad valorem basis.</p>		
<p>Explanation :</p> <p>1. For the purpose of grading of coal the specification of each grade of the coal shall be as prescribed under rule 3 of the Colliery Control Rules, 2004.</p>				

THE THIRD SCHEDULE
(See sections 24, 40 and 41)

RATES OF DEAD RENT

1. Rate of dead rent applicable to the leases granted for low value minerals are as under :

Rates of dead rent in rupees per hectare per annum		
From second years of lease	Third year and fourth year	Fifth year onward
200	500	1000

2. Two times the rate specified under (1) above in case of lease granted for medium value mineral(s).

3. Three times the rates specified under (1) above in case of lease granted for high value mineral(s).

4. Four times the rates specified under (1) above in case of lease granted for precious metals and stones.

Note : 1. For the purpose of this notification –

(a) **“precious metals and stones”** means gold, silver, diamond, ruby, sapphire and emerald, alexandrite and opal;

(b) **“high value minerals”** means semi-precious stones (agate, gem garnet), corundum, copper, lead, zinc, asbestos (chrysotile variety) and mica;

(c) **“medium value minerals”** means chromite, manganese ore, kyanite, sillimanite, vermiculite, magnesite, wollastonite, perlite, diaspore, apatite, rock phosphate, fluorite (fluorspar) and barytes;

(d) **“low value minerals”** means minerals other than precious metals and stones, high value minerals and medium value minerals.