

(TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY)
[PART II - SECTION 3 -SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF MINES

NOTIFICATION

New Delhi, the 10th April,2003

G.S.R.329(E).- In exercise of the powers conferred by section 13 of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules further to amend the Mineral Concession Rules, 1960, namely:-

1. (1) These rules may be called the Mineral Concession (Amendment) Rules, 2003.
(2) They shall come into force on the date of their publication in the Official Gazette.

2. In rule 22 of the Mineral Concession Rules, 1960 (hereinafter referred to as the said rules), in sub-rule (5),-
 - (a) in clause (v), the word “and”, occurring at the end, shall be omitted;
 - (b) after clause (v), the following clause shall be inserted, namely:-
“(va) a progressive mine closure plan as defined in clause (oo) of rule 3 of the Mineral Conservation and Development Rules, 1988; and”.

3. After rule 22C of the said rules, the following rule shall be inserted, namely : -

"22 D. Minimum size of the mining lease.- Minimum area for grant of mining lease shall not be less than -

a) One hectare, in respect of small deposits (not fragmented portions of larger ones), shallow in nature, isolated and not exceeding more than 200 metres in strike length. These deposits are small by virtue of either origin or mode of emplacement or dislocation due to geological disturbances.

Small deposits shall also include float deposits (transported) formed due to mechanical weathering and deposition, alluvial or eluvial placers (buried or otherwise), which generally have peculiar configurations excepting beach sands or placers;

(b) Two hectares, in respect of beach sands or placers.

Beach sands or placers are mono or multi mineral concentrations, including the dunes occurring on and off the coastal shore line.

These deposits are the products of ebb and flow of tides, waves and inshore currents, and at places semi-consolidated to consolidated in nature;

c) Four hectares, in respect of all mineral deposits other than those specified under clauses (a) and (b).”.

4. In rule 29 of the said rules, -

(a) in sub-rule(1), in the second proviso, after condition (b), the following condition shall be inserted, namely :-

“(c) the lessee has obtained a certificate under rule 29A.”.

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

“(3) Upon the issuance of the order by the Regional Controller of Mines or the officer authorized by the State Government in this behalf, as the case may be, under sub-rule (6) of rule 23F of Mineral Conservation and Development Rules, 1988, for forfeiting the sum assured, on non-performance of the measures contained in the approved mine closure plan referred to in sub-rule (1) of rule 23A of Mineral Conservation and Development Rules, 1988 by the lessee, it shall be the responsibility of State Government to realize any letter of credit or bond or any other surety, guarantee provided or obtained as financial assurance for the purpose of performance of protective, reclamation and rehabilitation measures as contained in the approved mine closure plan and shall carry out such measures either by itself, or appoint an agent to do so.”.

5. After rule 29 of the said rules, the following rule shall be inserted, namely: -

“29A. Provision for closure. - (1) The lessee shall not determine the lease or part thereof unless a final mine closure plan duly approved by the Regional Controller or the officer authorized by the State Government in this behalf, as the case may be, is implemented as per the approval.

(2) For the purposes of sub-rule (1), the lessee shall be required to obtain a certificate from the Regional Controller of Mines or officer authorized by the State Government in this behalf, as the case may be, to the effect that protective, reclamation 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.”.

6. In rule 64 D of the said rules, under heading Guidelines;

(a) for Case 1: For minerals sold in domestic market by the mine-owners, and Case 2: For minerals which are exported and the description relating thereto, the following Cases and descriptions shall be substituted, namely:-

“Case 1: All non atomic and non fuel minerals and minerals other than aluminium, primary gold, silver, copper, lead, zinc, nickel and tin -

The Indian Bureau of Mines publishes ‘Monthly Statistics of Mineral Production’ which contains state-wise total value of each mineral produced during a month in a State. The State-wise average value for different individual minerals as published by Indian Bureau of Mines in the ‘ Monthly

Statistics of Mineral Production' shall be the bench mark for computation of royalty by the concerned State Government in respect of any mineral produced any time during a month in any mine in that State. For the purpose of computation of royalty the State Government shall add twenty per cent to this bench mark value. This value shall be reckoned to be the sale price for the purpose of computation of royalty. Also the value of the minerals published in the latest published issue of the 'Monthly Statistics of Mineral Production' will be deemed to be applicable for the mineral mined in the previous month, irrespective of when the royalty actually accrues. If for a particular mineral, the information for a State is not published in a particular issue, the last information available for that mineral in the State in a previous issue shall be referred, failing which the latest published information for the mineral for all-India shall be referred.

Case 2 For Atomic minerals, prescribed under Atomic Energy Act, 1962(33 of 1962):

The minerals under this category include ilmenite, leucoxene, rutile and zircon obtained mainly from the beach sand deposits in the coastal states. The basis of collection of royalty shall be the actual mineral content in the beach sand mined.

(a) In case of sale in the domestic market, the per tonne sale price of the separated mineral actually realized, less the cost of transportation from the lease boundary to point of sale as shown by the mine owners in their sale vouchers or bills or invoices shall be considered for computing ad valorem royalty. To avoid payment of taxes on royalty the mine owners in their own interest record the price and royalty separately in the sale vouchers or bills or invoices instead of indicating a composite price inclusive of royalty. In case the price, royalty and transportation cost are not shown separately it shall be assumed that the price indicated in the sale vouchers or bills or invoices is exclusive of royalty and transportation cost, and royalty shall be charged accordingly.

(b) In case of direct export by mine owners the sale value for the purpose of royalty shall ordinarily be the free on board (FOB) price realized less transportation charges from the lease boundary to the port, loading and unloading charges at the port, port charges (including sampling and analysis and demurrage charges, if any), insurance charges, royalty, taxes and interest charges on loan for export. However, in case of cost insurance and freight (CIF) sales, sea freight insurance and cost of unloading at the destination port shall also be deducted from such price. For such purposes the mine owner may prepare invoices or bills indicating the free on board price or cost insurance freight price as the case may be and each of the other charges separately.

Explanation – For the purposes of calculation of royalty in case of minerals produced in captive mines (other than aluminium, copper, lead zinc, tin, nickel, gold and silver) and those not actually sold, Case 1. and Case 2. shall be applicable.”;

(b) Case 5: For minerals produced in captive mines (other than aluminium copper, lead, zinc, tin, nickel, gold and silver) and those not actually sold and the description relating thereto shall be omitted.

F.No.12/4/2001-M.VI(Pt.III)

(S.P. Gupta)
Joint Secretary to the Government of India

1. **Note:** The principal rules were published in the Official Gazette vide GSR No.1398 dated 26.11.1960 (notification no. M-II-159(1)/57 dated 11.11.1960) and lastly amended vide G.S.R. No.733(E) dated 29.10.2002 (Notification No.7/5/2002-MVI dated 29.10.2002)