

No. M.VI-1/3/2023-Mines VI
Government of India
Ministry of Mines

Shastri Bhawan, Dr. Rajendra Prasad Road
New Delhi-110 001

Dated:- 13th November, 2023

NOTICE

Subject: Amendment to the rules pursuant to the MMDR Amendment Act, 2023.

The Mines and Minerals (Development and Regulation) Act, 1957 has been amended through the Mines and Minerals (Development and Regulation) Amendment Act, 2023 w.e.f. 17.08.2023. The Amendment Act has, *inter alia*, inserted provision for auction of mining lease and composite licence by the Central Government in respect of critical and strategic minerals specified in Part D of the First Schedule of the Act (Sec. 11D) and introduced the provisions for exploration licence (Sec. 10BA).

2. The Mineral Auction Rules, 2015 has already been amended w.e.f. 01.09.2023 prescribing the procedure for auction of mining lease and composite licence by the Central Government in respect of critical and strategic minerals. Now, the Ministry of Mines has prepared draft of amendment rules for the implementation of provisions for exploration licence and related matters.

3. Accordingly, draft notification for amendment of the following rules are enclosed herewith:

(i) The Mineral (Auction) Rules, 2015;

(ii) The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016; and

(iii) The Mineral Conservation and Development (Second Amendment) Rules, 2023.

4. Further, amendment to the Minerals (Evidence of Mineral Contents) Rules, 2015 (MEMC Rules) is proposed for enabling any person, who is intending to participate in auction, to propose suitable blocks for auction for composite licence in respect of

critical and strategic minerals specified in Part D of the First Schedule. A copy of draft notification for amendment of the MEMC Rules is also attached herewith.

5. As part of the Pre-Legislative Consultation Policy, comments/suggestions are invited from the general public, Governments of States and Union Territories, mining industry stake-holders, industry associations, and other persons and entities concerned, on the above draft notifications for amendment of the rules.

5. The last date for receipt of the comments/suggestions is 13.12.2023.

6. The comments/suggestions may be sent by e-mail in MS-Office Word file to the following ID:

jspolicy-mines@gov.in

The subject of the e-mail should be "Comments/ suggestions on the amendment to the rules pursuant to the MMDR Amendment Act, 2023".

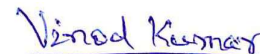
7. Alternatively, comments/suggestions may also be sent by post to the following address:

Shri Mustaq Ahmad, Director
Ministry of Mines
Room No 313,
D-Wing Shastri Bhawan,
Dr Rajendra Prasad Road
New Delhi -110 001

The envelope may kindly be superscribed on the top with:

"Comments/ suggestions on the amendment to the rules pursuant to the MMDR Amendment Act, 2023".

Encl.: As above.



(Vinod Kumar)

Under Secretary to the Govt. of Indi
011-23383946

Draft Mineral (Auction) Second Amendment Rules, 2023

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

MINISTRY OF MINES
NOTIFICATION

New Delhi, the ___October, 2023

G.S.R....(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 (Auction) Rules, 2015, namely:—

1. Short title and commencement:— (1) These rules may be called the Mineral (Auction) Second Amendment Rules, 2023.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Mineral (Auction) Rules, 2015 (hereinafter referred to as the said rules), in rule 2, in sub-rule (1),—

(a) After clause (a), the following clause shall be inserted, namely:—

“(aa) “auction premium” means the amount payable by the mining lease holder under sub-rule (2) of rule 13;”;

(b) in clause (d), for the words, brackets and figures “sub-clause (iii) of clause (b) of sub-rule (4) of rule 9”, the words, brackets, figures and letter “clause (iii) of sub-rule (9) of rule 9 or clause (iii) of sub-rule (10) of rule 19E” shall be shall be substituted;

(c) in clause (e), for the words, brackets and figures “sub-clause (iv) of clause (a) of sub-rule (4) of rule 9”, the words, brackets, figures and letter “sub-rule (8) of rule 9 or sub-rule (9) of rule 19E” shall be shall be substituted;

(d) in clause (i), after the words and figure “of rule 18”, the words, brackets, figures and letter “sub-rule (3) of rule 19G” shall be shall be inserted;

(e) in clause (j), for the words, brackets and figures “sub-clause (ii) of clause (a) of sub-rule (4) of rule 9”, the words, brackets, figures and letter “sub-rule (6) of rule 9 or sub-rule (7) of rule 19E” shall be shall be substituted.

3. In the said rules, in rule 4, after sub-rule (2), the following sub-rule shall be inserted, namely:—

“(3) Exploration Licence under section 10BA in an area in respect of any mineral specified in the Seventh Schedule of the Act shall be granted in the manner specified under Chapter III-A.”.

4. In the said rules, in rule 6, after sub-rule (5), the following sub-rules shall be inserted, namely:—

“(6) A bidder shall submit only one bid in an auction of a mineral block and no affiliate of a bidder shall submit a bid in the same auction where such bidder has submitted bid.

(7) In case a bidder submits more than one bid in an auction of a mineral block or an affiliate of a bidder submits bid in same auction where such bidder has submitted bid, the bids submitted by the bidder and its affiliate shall be rejected.

Explanation.— For the purpose of this rule,—

(i) “Affiliate” with respect to a bidder shall mean a person who, (a) controls such bidder, (b) is controlled by such bidder, (c) is under common control with such bidder, (d) is an associate company of the bidder, or (e) is a subsidiary company of such bidder.

(ii) the expressions “associate company”, “control” and “subsidiary company” shall have the meaning as assigned to them in the Companies Act, 2013 (18 of 2013).”.

5. In the said rules, in rule 9, in sub-rule (12), in the second proviso, after the word “three”, the words “, and even in case of a single technically qualified bidder” shall be inserted.

6. In the said rules, after rule 19, the following chapter and rules shall be inserted, namely:—

“CHAPTER III-A GRANT OF EXPLORATION LICENSE

19A. Prerequisites for auction of exploration licence.— (1) The State Government may initiate auction process for grant of exploration licence with respect to an area within the State, in respect of the minerals specified in Seventh Schedule of the Act, in accordance with the provisions of the Act and this Chapter.

(2) Any person intending to obtain exploration licence in respect of an area may submit a proposal to the State Government in the format specified in Schedule V along with available geoscience data for notification of the area for auction to grant an Exploration Licence.

(3) In order to identify a block for auction for grant of exploration licence, including in any area proposed by any person under the sub-rule (2), the State Government shall constitute a committee consisting of the following members:—

- (a) Principal Secretary or Secretary in the Mining and Geology Department of State Government (by whatever name called) – Chairman;
- (b) Deputy Director General, State Unit of Geological Survey of India – Member;
- (c) Director in the Mining and Geology Department of State Government (by whatever name called) – Member Secretary.

(4) The committee shall identify, and recommend to the State Government the blocks for auction for grant of exploration licence out of—

- (i) area identified by the Geological Survey of India or the Directorates of Mining and Geology of State Government (by whatever name called) or any other agency of the Central Government or State Government;
- (ii) area proposed by any person under sub-rule (4); or
- (iii) any other area,

on the basis of geological information available in the National Geoscience Data Repository (NGDR) or in similar platforms or on the basis of the available geological reports or the like.

(5) The committee shall reject or recommend the proposal received under sub-rule (2) within sixty days of its receipt in the State Government with such modification as it deem fit.

(6) The committee while identifying and recommending the block shall exclude from the block the areas covered under the following, namely:—

- (i) a subsisting mineral concession;
- (ii) a notice inviting tender for auction of a mineral concession that has been issued and is under process;

(iii) a subsisting letter of intent issued for grant of a mineral concession pursuant to an auction process;

(iv) a mining lease or composite licence granted that has expired, lapsed, surrendered or terminated or notice inviting tender for auction of a mineral concession that has been terminated;

(v) exploration operations by an entity specified or notified under second proviso to section 4; or

(vi) notification for undertaking an operation issued under section 17 or notification for reservation issued under section 17A:

Provided that if the committee is of opinion that it is expedient in the interest of conservation of mineral resources or for the scientific and sustainable development and exploitation of minerals specified in the Seventh Schedule of the Act, it may include the area covered under clause (iv) in the block recommended for grant of exploration licence:

(7) The State Government may reject or accept the recommendation of the committee with such modification as it deem fit, within sixty days of its receipt.

(8) In case of acceptance of the recommendations, State Government shall obtain the previous approval of the Central Government under sub-section (4) of section 10BA and thereafter notify the identified block for conducting auction for grant of exploration licence within sixty days of decision on the recommendation of the committee.

(9) The State Government shall, prior to issuance of the notice inviting tender with respect to auction, identify and demarcate the area where an exploration licence is proposed to be granted through auction, specifying its boundary latitude and longitude coordinates.

19B. Eligibility for exploration licence.— (1) For the purpose of participating in the auction of exploration licence, an applicant shall meet the requirements as specified in section 5 and the terms and conditions of eligibility as specified in Schedule I.

(2) The eligibility for participating in the auction shall be determined as per the terms and conditions of eligibility for participating in the auction and the Successful Bidder shall be decided solely on the basis of financial bids submitted by the eligible bidders.

(3) A bidder shall submit only one bid in an auction of a mineral block and no affiliate of a bidder shall submit a bid in the same auction where such bidder has submitted bid.

(4) In case a bidder submits more than one bid in an auction of a mineral block or an affiliate of a bidder submits bid in same auction where such bidder has submitted bid, the bids submitted by the bidder and its affiliate shall be rejected.

Explanation.— For the purpose of this rule,—

(i) “Affiliate” with respect to a bidder shall mean a person who, (a) controls such bidder, (b) is controlled by such bidder, (c) is under common control with such bidder, (d) is an associate company of the bidder, or (e) is a subsidiary company of such bidder.

(ii) the expressions “associate company”, “control” and “subsidiary company” shall have the meaning as assigned to them in the Companies Act, 2013 (18 of 2013).

19C. Electronic Auction for exploration licence.— (1) An auction shall be conducted only through an online electronic auction platform.

(2) The State Government may utilise any online electronic auction platform which meets the minimum technical and security requirements as specified in the Guidelines for compliance to Quality requirements of e-Procurement Systems issued by the Standardisation Testing and Quality Certification Directorate, Department of Information Technology, Ministry of Communications and Information Technology, Government of India.

19D. Bidding parameters for exploration licence.— (1) The State Government shall specify in the tender document the maximum percentage share (known as “ceiling price”) of the auction premium that shall be payable by the future lessee of mining lease which shall be auctioned pursuant to the prospecting operations undertaken under the exploration licence being auctioned.

Provided that the ceiling price shall not be less than twenty five per cent.

(2) The bidders shall quote, for the purpose of receiving payment from the State Government, a percentage share of the auction premium payable by such future lessee equal to or below the ceiling price and the bidder quoting the minimum percentage in accordance with the bidding process prescribed in these rules shall be the preferred bidder.

19E. Bidding Process for exploration licence.— (1) Subject to the provisions of rule 19A, the State Government shall issue a notice inviting tender, including on their website, to commence the auction process and such notice shall contain brief particulars regarding the area under auction, including,—

- (a) particulars of the area identified and demarcated, specifying its boundary latitude and longitude coordinates; and
 - (b) available geoscience data.
- (2) The tender document issued by the State Government shall contain,—
- (a) particulars of the area identified and demarcated, specifying its boundary latitude and longitude coordinates; and
 - (b) information on available geosciences data.
- (3) The bidders shall be provided a fixed period, as notified by the State Government, to study the tender document and such reports and the bidding process shall commence only on expiry of such period.
- (4) The auction shall be a descending reverse online electronic auction and shall comprise of attempts of auction with each attempt of auction consisting of a first round of auction and a second round of auction.
- (5) In the first round of auction, the bidders shall submit,—
- (A) a technical bid comprising amongst others, documentary evidence to confirm eligibility as per the provisions of the Act and the rules made thereunder to participate in the auction, bid security and such other documents and payments as may be specified in the tender document; and
 - (B) an initial price offer which shall be a percentage share of the auction premium that shall be payable by the future lessee whose mining lease shall be auctioned pursuant to the prospecting operations undertaken under the exploration licence being auctioned.
- (6) The bid security shall be submitted in the form of a bank guarantee or through security deposit and shall be for an amount equivalent to:
- (a) fifty lakh rupees for area less than or equal to five hundred square kilometers; and
 - (b) one crore rupee for area more than five hundred square kilometers but less than or equal to one thousand square kilometers.
- (7) Only those bidders who are found to be eligible in accordance with the terms and conditions of eligibility specified in rule 19B and whose initial price offer is equal to or

less than the ceiling price, referred to as “technically qualified bidders”, shall be considered for the second round of auction.

(8) The lowest initial price offer amongst the technically qualified bidders shall be the limiting price for the second round of online electronic auction.

(9) The technically qualified bidders shall be ranked on the basis of the ascending initial price offer submitted by them and the technically qualified bidders holding the first fifty per cent. of the ranks (with any fraction rounded off to higher integer) or the top five technically qualified bidders, whichever is higher, shall qualify as qualified bidders for participating in the second round of electronic auction:

Provided that if the number of technically qualified bidders is between three and five, then all the technically qualified bidders shall be considered as qualified bidders:

Provided further that in the event of identical initial price offers being submitted by two or more technically qualified bidders, all such technically qualified bidders shall be assigned the same rank for the purposes of determination of qualified bidders and in such case, the aforementioned fifty per cent. shall stand enhanced to the extent of tie occurring within the first fifty per cent.

Illustration

In the event there are a total of ten technically qualified bidders, and each technically qualified bidder submits different initial price offer, then the technically qualified bidders holding the first fifty per cent of ranks shall be considered to be qualified bidders.

If three such technically qualified bidders submit the same initial price offer and are ranked in first fifty per cent of the total number of ranks, then, all the three technically qualified bidders shall be considered to be qualified bidders and the total number of qualified bidders shall stand increased by two.

(10) Where the total number of technically qualified bidders is three or more, the auction process shall proceed to the second round of auction which shall be held in the following manner, namely:—

(i) the qualified bidders may submit their final price offer which shall be a percentage share of the auction premium that shall be payable by the future lessee whose mining lease shall be auctioned pursuant to the prospecting operations undertaken under the exploration licence being auctioned and lower than the limiting price for the second round:

Provided that the final price offer may be revised by the qualified bidders till the conclusion of the auction as per the technical specifications of the auction platform;

(ii) The auction process shall be annulled if none of the qualified bidders submits a final price offer on the online electronic auction platform;

(iii) The qualified bidder who submits the lowest final price offer shall be declared as the “preferred bidder” immediately on conclusion of the auction.

(11) Where the total number of technically qualified bidders is less than three, then no technically qualified bidder shall be considered to be qualified bidder and the first attempt of auction shall be annulled.

(12) On annulment of the first attempt of auction, the State Government may decide to—

(a) commence the auction process *de novo* with a separate set of terms and conditions and ceiling price as it may deem fit and necessary; or

(b) conduct the second attempt of auction.

(13) In case the State Government decides to conduct the second attempt of auction as per clause (b) of sub-rule (12), the terms and conditions of the second attempt of auction shall remain the same as in the first annulled attempt of auction:

Provided that the lowest initial price offer of the technically qualified bidders if any in the first annulled attempt shall be the ceiling price in first round of the second attempt:

Provided further that the bidding shall continue to the second round even in case the number of technically qualified bidders is less than three, and even in case of a single technically qualified bidder.

19F. Conduct of auction of exploration licence by Central Government.— (1) The State Government shall intimate to the Central Government regarding the following, namely:—

(a) identification and recommendation of any area for auction of exploration licence by the committee under rule 19A within a period of fifteen days of receiving it;

(b) decision of the State Government on the recommendation of the committee under rule 19A within a period of fifteen days of such decision;

(c) publication of notice under sub-section (4) of section 10BA along with its copy, within fifteen days of publication of such notice;

- (d) issue of notice inviting tender for auction for mining lease under rule 19E along with its copy, within fifteen days of issue of such notice;
- (e) outcome of any auction for exploration licence, within fifteen days of completion of auction; and
- (f) termination, lapse or surrender of exploration licence or terminating or lapse of letter of intent for exploration licence, within fifteen days from such termination, lapse or surrender.

(3) In case the Central Government decides to notify an area for auction or conduct auction for exploration licence under sub-section (5) or sub-section (7) of section 10BA, as the case may be, the provisions of these rules regarding auction in respect of exploration licence, as applicable to a State Government, shall *mutatis mutandis* be also applicable to the Central Government.

(4) Upon successful completion of the auction, the Central Government shall intimate the details of the preferred bidder in the auction to the State Government and the State Government shall grant exploration licence for such area to such preferred bidder in accordance with rule 19G.

19G. Grant of Exploration Licence.—(1) The preferred bidder shall submit a performance security in the manner specified in sub-rule (1) of rule 19H within fifteen days after being declared as preferred bidder, and upon receipt of such performance security, the State Government shall issue a letter of intent to the preferred bidder within fifteen days of receipt of performance security:

Provided that the State Government may, for the reasons to be recorded in writing, extend the period of fifteen days for submission of performance security by further fifteen days.

(2) In case the preferred bidder fails to submit the performance security within the period or extended period specified in sub-rule (1), the State Government shall,—

- (a) forfeit the bid security of the preferred bidder; and
- (b) offer the bidder who had submitted second-lowest price offer in the second round of auction to meet the lowest final price offer and if the said bidder agree to the said offer in writing and submit the performance security within fifteen days of receipt of offer, the State Government shall declare the said bidder as the preferred bidder and issue letter of intent to him:

Provided that the State Government may, for the reasons to be recorded in writing, extend the period of fifteen days by further fifteen days.

(3) On receipt of the letter of intent the preferred bidder shall be considered to be the successful bidder upon fulfilment of the following conditions, namely:—

(a) compliance with all the terms and conditions of eligibility;

(b) obtaining all consents, approvals, permits, no-objections and the like as may be required under applicable laws for commencement of reconnaissance or prospecting operations or both; and

(c) submitting the scheme of reconnaissance or prospecting or both in accordance with the Mineral Conservation and Development Rules, 2017.

(4) Upon fulfilment of the conditions specified in sub-rule (3), the State Government shall grant an exploration licence to the successful bidder and such exploration licence shall be subject to the provisions of the Act and the rules made thereunder.

Provided that on expiry of a period of six months from the date of the letter of intent, no exploration licence deed shall be executed and the letter of intent shall be invalidated leading to annulment of the entire process of auction:

Provided further that the State Government may allow a further period of six months for execution of the Exploration Licence deed, if the reasons for delay were beyond the control of the preferred bidder.

(5) The exploration licensee shall conduct geological exploration (reconnaissance or prospecting operations or both) of the area under the exploration licence so as to ascertain evidence of mineral contents and shall submit periodic reports in accordance with the Act and rules made thereunder, and all reports, studies and other documentation related to the geological exploration of the area under the exploration licence shall be submitted to the State Government with its copy to the Indian Bureau of Mines.

(6) Period of exploration licence shall be in accordance with sub-section (10) of section 10BA.

(7) The exploration licensee may, at any time, surrender a part or the entire area to the State Government, subject to the conditions specified in rule 9B of the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016:

Provided that after three years from the date of execution of the exploration licence, the exploration licensee may retain an area not exceeding twenty-five per cent. of the total area covered under that licence for the purpose of continuing reconnaissance or prospecting operations and shall surrender the remaining area after submitting a report

to the State Government stating the reasons for retention of the area proposed to be retained by him and the boundaries of that area.

(8) If an exploration licensee,—

(a) fails to complete reconnaissance and prospecting operations within the period permitted under sub-section (10) of section 10BA; or fails to establish the existence of mineral contents in accordance with rule 5 of the Minerals (Evidence of Mineral Contents) Rules, 2015 for grant of mining lease and submit the geological report within the period specified under sub-section (12) of section 10BA, such licensee shall not be eligible to receive any share out of the auction premium of the mining lease granted in the area covered by his exploration licence and the State Government may take any action as it deems fit, including imposition of penalty in form of appropriation of performance security;

(b) completes reconnaissance and prospecting operations within the period permitted under sub-section (10) of section 10BA and submits to the State Government and the Indian Bureau of Mines the result of the prospecting operations in the form of a geological report prepared in accordance with rule 5 of the Mineral (Evidence of Mineral Contents) Rules, 2015; identifying the area suitable for grant of a mining lease within the period specified under sub-section (12) of section 10BA, then such licensee shall be entitled to receive the percentage share in auction premium of the mining lease in accordance with these rules.

(9) Exploration licensee shall prepare separate geological report for each block identified for grant mining lease under sub-rule (8).

19H. Performance Security for Exploration Licence.— (1) The amount of performance security shall be as follows:—

(a) one crore rupees for area less than or equal to five hundred square kilometers; and

(b) two crore rupee for area more than five hundred square kilometers but less than or equal to one thousand square kilometers.

(2) The performance security shall be provided through bank guarantee in the format as specified in Schedule IV or through security deposit, which may be appropriated in the following events:

(a) non-adherence to scheme of reconnaissance or prospecting, as the case may be;

(b) disclosure of exploration data to an unauthorized entity;

- (c) non-disclosure of entire exploration data, reports or any other information related to exploration to State Government or any other Government organization authorised to receive such information under the law;
 - (d) serious discrepancy in exploration data, reports or any other information related to exploration to State Government or any other Government organization authorised to receive such information under the law; or
 - (e) contravention of the provision of these rules and the exploration licence deed.
- (3) The percentage of performance security to be appropriated in the events specified in sub-rule (2) shall be specified in the tender document or decided by the State Government as it deem fit.
- (4) In case of appropriation of performance security, the exploration licensee shall replenish or top-up the performance security within thirty days of such appropriation to keep the amount of performance security maintained at the amount prescribed under sub-rule (1).
- (5) The State Government on being satisfied that the holder of Exploration Licence has completed prospecting operations but is unable to establish the existence of mineral contents even after making all possible efforts in accordance with the Minerals (Evidence of Mineral Contents) Rules, 2015, shall return performance security.

19I. Payment to the holder of Exploration Licence.— (1) The State Government shall pay by electronic transfer to the exploration licensee the percentage share quoted by him in the auction of exploration licence out of the auction premium deposited in a month by the future lessee who has obtained mining lease in auction pursuant to the prospecting operations undertaken by the exploration licensee, within thirty days of deposit of auction premium.

(2) The share of the exploration licensee shall be payable for entire period of fifty years of the mining lease or till exhaustion of resources, whichever is earlier.

(3) In case of termination, lapse or surrender of mining lease, share of the exploration licensee shall be payable out of the auction premium deposited by the subsequent lessee of the area for the remaining period out of fifty years from the date of commencement of the first lease for the area or till exhaustion of resources, whichever is earlier.

(4) The percentage share quoted by the exploration licensee shall be applicable for each mineral specified in the Seventh Schedule to the Act whose existence of mineral

content has been established by him in accordance with the exploration norms required for grant of mining lease under Mineral (Evidence of Mineral Contents) Rules, 2015.

(5) The share of the exploration licensee shall be payable out of auction premium of all the mining leases of the minerals specified in the Seventh Schedule to the Act, auctioned pursuant to the prospecting operations undertaken by the exploration licensee.

(6) Exploration licensee shall not be entitled to receive share in respect of mineral not specified in the Seventh Schedule of the Act or whose existence of mineral content has not been established by him in accordance with the exploration norms required for grant of mining lease under Mineral (Evidence of Mineral Contents) Rules, 2015.

(7) The exploration licensee and lessee may enter into agreement regarding payment of the share to exploration licensee in a manner other than provided in this rule, such as lump-sum payment in lieu of percentage share in auction premium; and upon such agreement,—

(a) the exploration licensee and lessee shall submit a copy of such agreement to State Government; and

(b) subsequent to coming into effect of the agreement, the auction premium payable by lessee to the State Government shall reduce by the percentage share of exploration licensee and the State Government shall not be liable pay any amount to exploration licensee.

(8) After completion of prospecting operations and submission of geological report to the State Government in accordance with the rules, the exploration licensee may transfer his right to receive percentage share to any other entity, with the previous approval of the State Government and the State Government shall accept or reject previous approval within ninety days of receipt of such application.

(9) In case an exploration licensee becomes lessee of a mining lease auctioned pursuant to the prospecting operations undertaken by him, then such lessee shall deposit auction premium to the State Government after deducting the percentage share that would have been payable to the exploration licensee.

19J. Auction for Mining Lease pursuant to Exploration Licence.—

(1) The manner and terms and conditions for auction of a mining lease specified in Chapter II of these rules shall be applicable for auction of mining lease of a block identified pursuant to the prospecting operations undertaken under an exploration licence, subject to the conditions specified in this rule.

(2) The State Government shall initiate the auction process for grant of mining lease under section 10B read with section 11 within six months from the date of receipt of the geological report from the exploration licensee in respect of the area where existence of mineral content is established in accordance with rule 5 of the Mineral (Evidence of Mineral Contents) Rules, 2015 and shall select the preferred bidder for grant of such mining leases within one year from the date of receipt of the geological report:

Provided that in respect of any mineral specified in the Part D of the First Schedule to the Act, the auction process for grant of mining lease shall be conducted by the Central Government under section 11D read with rule 9B.

(3) In case the preferred bidder is not selected within the period so specified in sub-rule (2), the State Government shall pay to the exploration licensee an amount equivalent to one per cent. of the expenditure incurred towards reconnaissance or prospecting operations or Rupees ten lakh per month, whichever is higher, till selection of the preferred bidder for the mining lease or till annulment of second attempt of auction due to insufficient number of bidders and such payment made to exploration licensee will be adjusted with the amount payable to him out of auction premium to be deposited by the holder of mining lease:

Explanation.— the amount payable under this sub-rule shall be determined on the basis of account submitted by the exploration licensee of the expenditure incurred towards reconnaissance or prospecting operations duly certified by a chartered accountant.

(4) In case of termination, lapse or surrender of mining lease or termination or lapse of letter of intent for mining lease granted pursuant to exploration licence, the State Government shall give an opportunity to the exploration licensee to obtain mining lease in such area at the same auction premium discovered in the auction of the mining lease.

(5) In case of refusal of the exploration licensee to obtain mining lease under sub-rule (5), the State Government or the Central Government, as the case may be, shall initiate auction process and select preferred bidder for such area within the period specified in sub-rule (2) and in case the preferred bidder is not selected within the said period, the State Government or the Central Government, as the case may be, shall pay to the exploration licence holder in accordance with sub-rule (3).

(6) The exploration licensee shall not be prohibited from participating in the auction for the mining lease auctioned pursuant to the prospecting operations undertaken by him.

(7) The tender document for auction of mining lease shall, in addition to the details specified in sub-rule (2) of rule 9, shall contain the following namely:—

(a) raw data and bore-hole cores generated by such agency during prospecting operations and periodic report submitted by such agency in respect of the block shall be made available for inspection to bidders in the auction;

(b) the ownership structure or shareholding details of the exploration licensee.

(8) A bidder participating in auction for mining lease shall declare to the State Government or the Central Government, as the case may be, if he is related party of the exploration licensee pursuant to whose prospecting operations the mining lease is being auctioned.

(9) The State Government or the Central Government, as the case may be, shall intimate other bidders in auction regarding participation of exploration licensee or his related party in the auction.

(10) In case the exploration licensee or his related party participate as bidder in the auction of mining lease being auctioned pursuant to his prospecting operations, then, in the second round of online electronic auction, name of licensee or his related party and his final price offer (including revised final price offers during bidding) shall remain visible to all the qualified bidders.”.

7. In the said rules, after rule 23, the following rule shall be inserted, namely:—

“24. Participation in auction for mining lease or composite licence by an agency covered under proviso to sub-section of (1) of section 4.— (1) The manner and terms and conditions for auction of a mining lease or composite licence specified in Chapter II and Chapter III, respectively of these rules shall be applicable for auction of a block identified pursuant to the prospecting operations undertaken by an agency covered under proviso to sub-section of (1) of section 4, subject to the conditions specified in this rule.

(2) An agency covered under proviso to sub-section of (1) of section 4 who has undertaken exploration of a mineral specified in the Part D of the First Schedule of the Act or the Seventh Schedule of the Act shall not be prohibited from participating in the auction for the mining lease or composite licence auctioned pursuant to the prospecting operations undertaken by such agency for such mineral.

(3) The tender document for auction of mining lease or composite licence shall, in addition to the details specified in sub-rule (2) of rule 9, shall contain the following namely:—

(a) raw data and bore-hole cores generated by such agency during prospecting operations and periodic report submitted by such agency in respect of the block shall be made available for inspection to bidders in the auction;

(b) the ownership structure or shareholding details of such agency.

(4) A bidder participating in auction for mining lease or composite licence shall declare to the State Government or the Central Government, as the case may be, if he has explored the block pursuant to whose prospecting operations the mining lease or composite licence is being auctioned or is related party of such agency.

(5) The State Government or the Central Government, as the case may be, shall intimate other bidders in auction regarding participation of such agency or his related party in the auction.

(6) In case such agency or his related party participate as bidder in the auction of mining lease being auctioned pursuant to his prospecting operations, then, in the second round of online electronic auction, name of such agency or his related party and his final price offer (including revised final price offers during bidding) shall remain visible to all the qualified bidders.”.

8. In the said rules, in Schedule I, the following para shall be inserted after para 2 and before the Explanation, namely:—

“3. In the auction of exploration licence, the applicant shall have a net worth of more than or equal to twenty-five crore rupee.”.

9. In the said rules, in Schedule IV, for the words, brackets and figures, “FORMAT FOR PERFORMANCE SECURITY FOR COMPOSITE LICENCE [see rule 19(4)]”, the following shall be substituted, namely:—

“FORMAT FOR PERFORMANCE SECURITY FOR COMPOSITE LICENCE AND
EXPLORATION LICENCE
[see rule 19(4) and rule 19H(2)]”.

10. In the said rules, after Schedule IV, the following Schedule shall be inserted, namely:—

“**SCHEDULE V**
[see rule 19A(2)]

**FORMAT FOR SUBMITTING PROPOSAL FOR AUCTION OF AN AREA FOR GRANT
OF EXPLORATION LICENCE**

To,
The Director,
Mining and Geology Department,
Government of ___ [*mention name of State Government*]

Madam/ Sir,

Under the provision of sub-rule (2) of rule 19A of the Mineral (Auction) Rules, 2015, I/we am/are submitting the following details and other particulars of the area for consideration of the State Government to auction exploration licence in respect of the area. It is submitted that I/we intend to participate in auction of exploration licence in respect of the said area.

1. Name and Address of the Applicant

(a)	Name:	
(b)	Postal address:	
(c)	Telephone Number (Office):	
(d)	Fax number (Office):	
(e)	Mobile No.:	
(f)	Telephone Number (Residence):	
(g)	E-Mail address:	

2. Location Details of the Area Proposed for Auction

(a)	State	
(b)	District (s)	
(c)	Nearby Village(s)	
(d)	Survey of India (SOI) Toposheet (s) No.	
(e)	Area in sq. km	
(f)	Boundary coordinates of the proposed block	

	(in Decimal degree)	
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3. Mineral Potential of the Area

(a)	Name of Mineral(s) identified/ expected in the area/ block	
(b)	Basis on which mineral potential in the area has been identified	
(c)	List of documents and references relied upon in support of item (b) above.	

4. Documents to be enclosed with the application

- i) Location of the proposed block demarcated on Survey of India (SOI) Toposheet No.
- ii) Documents mentioned in item 3(c) above.

Place:

Date:

Signature of Applicant”.

[F. No. M.VI-1/3/2023-Mines VI]

(Dr. Veena Kumari Dermal)
Joint Secretary

Note:— The Mineral (Auction) Rules, 2015 were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 406(E), dated the 20th May, 2015 and lastly amended, vide number G.S.R. 648(E), dated the 1st September, 2023.

**[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 October, 2023

G.S.R. ___(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 Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016, namely:—

1. Short title and commencement.— (1) These rules may be called the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Second Amendment Rules, 2023.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 (hereinafter referred to as the said rules), after rule 9A, the following rule shall be inserted, namely:—

“9B. Exploration licence granted through auction.— (1) The exploration licence deed of the exploration licence granted to a successful bidder under sub-rule (4) of rule 19G of the Mineral (Auction) Rules, 2015 shall be in the format specified in Schedule V-A.

(2) The exploration licensee may, at any time, surrender a part or the entire area to the State Government, subject to following conditions:

(i) surrender shall be made only after submission of the report of the operations undertaken upto the date of surrender in the area being surrendered in accordance with the scheme of reconnaissance or prospecting or both, as the case may be;

(ii) surrender shall be made only after completing reclamation of the area being surrendered;

(iii) the exploration licensee shall state the reasons for retention of the area proposed to be retained by him and the boundaries of the area being retained and surrendered;

- (iv) area retained may be contiguous or non-contiguous area;
- (v) the exploration licensee shall undertake reconnaissance or prospecting operations or both in the area retained in accordance with the scheme of reconnaissance or prospecting or both;
- (vi) in case no such operations is proposed in any area under the scheme of reconnaissance or prospecting, the exploration licensee shall mandatorily surrender such area;
- (vii) The State Government after being satisfied that the surrender of an area is conforming to the conditions specified in this rule, may accept such surrender;
- (viii) A supplementary exploration licence deed shall be executed between the licensee and the State Government in the format specified in Schedule V-B for the part of the area retained at each instance of the surrender of area.

Provided that after three years from the date of execution of the exploration licence, the exploration licensee not retain an area exceeding twenty-five per cent. of the total area covered under the original licence granted to him for the purpose of continuing reconnaissance or prospecting operations and shall surrender the remaining area in compliance of the conditions specified in this sub-rule.”.

3. In the said rules, after rule 10, the following rule shall be inserted, namely:—

“10A. Extension of period of exploration licence.— (1) An application for extension of an exploration licence under sub-section (1) of section 10BA for the purpose of completing reconnaissance or prospecting operations or both shall be made after three years from the date of its execution but at least ninety days before the expiry of the licence and shall be accompanied by a statement containing—

- (a) reasons for seeking such extension beyond five years from the date of execution of the exploration licence deed;
- (b) a report of the details of reconnaissance or prospecting operations or both undertaken by the applicant in the format as prescribed under rule 9 of the Mineral Conservation and Development Rules, 2017;
- (c) the details of the area retained by the exploration licensee including the boundaries of that area;
- (d) the details of expenditure incurred;
- (e) the numbers of man days for which the work was undertaken; and

- (f) the justification for the additional period required to complete the prospecting work.
- (2) The State Government shall send an acknowledgement of receipt of the application to the applicant in Schedule II within a period of three days of receipt of the application.
- (3) The State Government may condone delay in submission of an application made after the time limit prescribed under sub-rule (1), provided that the application has been made before the expiry of the period of the exploration licence.
- (4) An application for the extension of the period of an exploration licence shall be disposed of by the State Government before the expiry of the period of the exploration licence.”.

4. In the said rules, in rule 11,—

(i) in the marginal heading, for the words “and composite licence”, the words “, composite licence and exploration licence” shall be substituted.

(ii) in sub-rule (1),—

(a) in the opening portion, for the words “prospecting licence holder or a composite licence holder”, the words, “prospecting licence, composite licence or exploration licence” shall be substituted;

(b) in clause (c), the words “holding a prospecting licence or a composite licence” and word “prospecting” shall be omitted;

(c) in clause (e), (g), (h), (i) and (j), after the word “prospecting”, wherever it occur, the words “or reconnaissance” shall be inserted;

(d) in clause (k), the word “prospecting”, at both the places, shall be omitted;

(e) in clause (l), for the words “prospecting operations”, the words “prospecting or reconnaissance operations” shall be substituted and for the words “prospecting licence”, the word “licence” shall be substituted;

(iii) in sub-rule (3), after the words “a composite licence”, the words “or an exploration licence” shall be inserted;

(iv) in sub-rule (4), after the words “composite licence”, the words “or exploration licence” shall be inserted;

(v) in sub-rule (6), after the words “composite licence”, the words “or exploration licence” shall be inserted and after the words “prospecting licence”, the words “or an exploration licence, as the case may be” shall be inserted.

(vi) after sub-rule (6), the following sub-rules shall be inserted, namely:—

“(7) Surrender of area shall be made in accordance with the provisions of rule 9B.

(8) The exploration licensee shall, within three months of the completion of the operations for which licence has been granted, or from the date of expiry of the exploration licence, whichever is earlier, submit a geological report to the State Government and the Indian Bureau of Mines explaining the result of the reconnaissance and prospecting operations in the form of a geological report prepared in accordance with rule 5 of the Mineral (Evidence of Mineral Contents) Rules, 2015; identifying the area suitable for grant of a mining lease.

(9) The exploration licensee shall not in any manner disclose the information, scheme and reports prepared under these rules or any other geological information related to reconnaissance or prospecting operations to any person other than the Government or authority specified in these rules or any other rules framed under the Act, without prior approval of the Central Government.

(10) If the exploration licensee fails to complete the reconnaissance or prospecting operations or both in accordance with the scheme of reconnaissance or prospecting or both, as the case may be, before expiry of the exploration licence for the areas retained by him, or fails to submit the geological report within the period specified in sub-rule (8), then,—

(i) he shall not be eligible to receive any share out of the auction premium of the mining lease granted in the area covered by his exploration licence;

(ii) he shall be debarred for taking part in any auction for grant of mineral concessions in any State for a period of upto five years; and

(iii) the State Government may forfeit the performance security in part or full.”.

5. In the said rules, in rule 23,—

(i) after the words “composite licence”, wherever they occur (including in the marginal heading), the words “or exploration licence” shall be inserted;

(ii) in sub-rule (3), after the word “prospecting”, the words “or reconnaissance” shall be inserted;

(iii) in sub-rule (11), after the words “the lessee”, the words “or the licensee” shall be inserted.

6. In the said rules, in rule 23B, after the words “composite licence”, wherever they occur (including in the marginal heading), the words “or exploration licence” shall be inserted.

7. In the said rules, Schedule I, Schedule III, Schedule IV and Schedule VII shall be omitted.

8. In the said rules, after Schedule V, the following schedules shall be inserted, namely:—

“Schedule – V-A
[See rule 9A(1)]

Format of Exploration Licence

This deed for grant of an exploration licence (“Licence”) is made by and between the following:

PARTIES:

1. **The Governor of [State]**, acting through [*Department of Mines and Geology of the State*] (the “**State Government**”).

AND

2. [**Name of the licensee**] [incorporated in India under the Companies Act, [1956/2013] with corporate identity number [CIN], whose registered office is at [address of registered office], India and principal place of business is at [place of business, if different from registered office]] **OR** [an individual who is citizen of India, having income tax permanent account number [number], residing at [address]] **OR** [persons listed in *SCHEDULE A* organised as a [firm/association of persons] in the name of [*name of the firm or association of individuals*], all of whom are Indian citizens and resident in India] (the “**Licencee**”).

BACKGROUND:

- A. The Licencee had participated in an electronic auction for grant of an exploration licence, pursuant to which the Licencee has become eligible for grant of an exploration licence.
- B. Accordingly, the State Government is now executing this Licence for grant of a Licence to the Licencee in consideration of the fee, royalties, covenants and agreements hereinafter reserved and contained on the part of the Licence to be paid, observed and performed.

1. DEFINITIONS

The expressions used in this Licence shall have the same meaning as ascribed to them under the Act and the rules made thereunder.

2. GRANT OF LICENCE

The State Government hereby grants the Licence to the Licencee over an area described in Schedule B (“**Licence Area**”) for conducting reconnaissance/ prospecting/ both reconnaissance and prospecting operations for a period of five years, commencing from the date of the execution of the exploration licence with respect to following mineral(s), [name of the minerals].

3. RIGHTS AND OBLIGATIONS

- 3.1. The rights and obligations of the State Government and the Licencee shall be as specified in the Act and the rules made thereunder, including without limitation the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016.

3.2. Without prejudice to the generality of the foregoing,

(a) the Licencee shall:

- (i) at all times comply with the provisions of the Act and the rules made thereunder and any other applicable law;
- (ii) make prompt payment of royalty and any other payment required to be made by the Licencee;
- (iii) pay such compensation as may be assessed by lawful authority in accordance with the law in force on the subject for all damage, injury, or disturbance which may be done by the Licencee in exercise of the powers granted by this Licence and to indemnify and keep indemnified fully and completely the State Government against all claims which may be by any person or persons in respect of any such damage, injury or disturbance and all costs and expenses in connection therewith;
- (iv) take measures, at his own expense, for the protection of environment like planting of trees, reclamation of mined land, use of pollution- control devices, and such other measures as may be prescribed by the Central or State Government from time to time;
- (v) without delay send to the Deputy Commissioner/Collector a report of any accident causing death or serious bodily injury or serious injury to property or seriously affecting or endangering life or property which may occur in the course of the operations under this Licence;
- (vi) weigh or cause to be measured or weighed upon some part of the Licence Area all minerals from time to time won from the Licence Area, with [number of days] prior notice being given to the Deputy Commissioner/Collector every such measuring or weighing in order that he or some person on his behalf may be present thereat;
- (vii) submit to the State Government a full report of the work done by the Licencee and disclose all information acquired by the Licencee in the course of the operations carried on under this Licence regarding the geology and mineral resources of the area covered by the Licence; and
- (viii) pay stamp duty and registration charges as may be applicable in respect of this Licence.

(b) the State Government shall:

- (i) have the right to, at all times to enter into and upon and to grant or demise to any person or persons whomsoever liberty to enter into and upon the Licence Area for all or any purposes other than those for which sole rights and Licence are hereby expressly conferred upon the Licencee, including without limitation, to make on, over or through the said lands such roads, tramways and ropeways as shall be considered necessary or expedient for any purposes and to obtain from and out of the said lands

such stone, earth or other materials as may be necessary or requisite for making, repairing or maintaining such roads, tramways, railways and ropeways to pass and repass at all times over and along such roads, tramways, railways and ropeways for all purposes and as occasion shall require;

- (ii) have the right to appropriate any performance security provided by the Licencee in accordance with terms of such performance security and require the Licencee to replenish the performance security. In case the performance security has been provided through a security deposit after termination of the Licence and fulfilment of all obligations of the Licencee, such security deposit shall be returned to the Licencee after appropriate deductions. It is clarified that the security deposit shall not carry any interest; and
 - (iii) have the right to carry out or perform any work or matters which in accordance with the covenants in that behalf are to be carried out or performed by the Licencee, but have not been so carried out or performed within the time specified In that behalf, and the Licencee shall pay the State Government on demand all expenses which shall be incurred in such carrying out or performance of the same.
- 3.3. If the State Government is desirous of exercising its right of pre-emption with respect to any mineral(s) the State Government shall pay the average sale price of such minerals as published by IBM prevailing at the time of pre-emption.

Provided that no such amount shall be payable for any mineral(s) other than those specified in the Seventh Schedule.

- 3.4. In the event of the existence of a state of war or emergency (of which existence the President of India shall be the sole judge and a notification to this effect in the Gazette of India shall be conclusive proof) the State Government with the consent of the Central Government shall from time to time and at all times during the said term have the right (to be exercised by a notice in writing to the licensee/licencees) forthwith take possession and control of the works, plant, machinery and premises of the Licencee on or in connection with the Licence Area or the operations under this Licence and during such possession or control, the Licencee shall conform to and obey all directions given by or on behalf of the Central or State Government regarding the use of employment of such works, plants, premises and minerals, provided that fair compensation, which shall be determined in default of agreement by the State Government shall be paid to the Licencee for all loss or damage sustained by him/them by reason or in consequence of the exercises of the powers conferred by this clause and provided also that the exercise of such power shall not determine the said term hereby granted or affect the terms and provisions of this clause.
- 3.5. If after the receipt of an offer of compensation for any damage which is likely to arise from the proposed operation of the Licencee, the occupier of the surface of any part of the said lands shall refuse his consent to the exercise of the rights and powers reserved to the State Government and granted by this Licence, the Licencee shall report the matter to the State Government and shall deposit with it the amount offered as compensation and if the State Government is satisfied that the amount of compensation is reasonable or

if it is not so satisfied and the Licencee shall have deposited with it such further amount as the State Government may consider reasonable, the State Government shall order the occupier to allow the Licencee to enter upon the said land and carry out such operations as may be necessary for the purpose of the Licence. In assessing the amount of such compensation the State Government shall be guided by the principles of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013.

- 3.6. Every notice required to be given to the Licencee shall be given in writing to such person as may be nominated by the Licencee and such nomination shall be informed to the State Government in writing. If no such nomination is made then the notice shall be sent to the Licencee by registered post/speed post addressed to the Licencee at the address shown in the application for the Licence or at such other address in India as the Licencee may designate from time to time and every such service shall be deemed to be proper and valid service upon the Licencee and shall not be questioned or challenged by him.
- 3.7. If in any event the orders of the State Government are revised, reviewed or cancelled by the Central Government in pursuance of proceedings under the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016, the Licencee shall not be entitled to compensation for any loss sustained by the Licencee in exercise of the powers and privileges conferred upon the Licencee by these presents.

4. GOVERNING LAW

This Licence and all questions of its interpretation shall be construed in accordance with the laws of India. In the event of any dispute in relation to the this Licence and in respect of all matters touching the relationship of the Licencee and the State Government, suits or petitions shall be filed in civil courts at [name of the city] and it is hereby expressly agreed that neither party shall file a suit or appeal or bring any actions at any place other than the courts named above.

In witness whereof these presents have been executed at the [name of place] on [date].

SCHEDULE A – LIST OF PERSONS*

S. No	Name	PAN Number	Address

* To be deleted if the Licencee is not an association of individuals.

SCHEDULE B: AREA OF EXPLORATION LICENCE

(Description of area, including Geo-coordinates, to be provided.)

Schedule – V-B
[See rule 9A]
Format of Supplementary Exploration Licence

This deed for grant of an exploration licence (“Licence”) is made by and between the following:

PARTIES:

1. The Governor of [State], acting through [*Department of Mines and Geology of the State*] (the “**State Government**”).

AND

2. [Name of the licensee] [incorporated in India under the Companies Act, [1956/2013] with corporate identity number [CIN], whose registered office is at [address of registered office], India and principal place of business is at [place of business, if different from registered office]] **OR** [an individual who is citizen of India, having income tax permanent account number [number], residing at [address]] **OR** [persons listed in *SCHEDULE A* organised as a [firm/association of persons] in the name of [*name of the firm or association of individuals*], all of whom are Indian citizens and resident in India] (the “**Licencee**”).

BACKGROUND:

- A. The Licencee had participated in an electronic auction for grant of an exploration licence, pursuant to which the Licencee has become eligible for grant of an exploration licence.
- B. The State Government has executed exploration Licence on..... for grant of a Licence over the area described in Schedule B (“**Licence Area**”) to the Licencee for a period from.....to..... in consideration of the fee, royalties, covenants and agreements hereinafter reserved and contained on the part of the Licence to be paid, observed and performed.
- C. On...../after three years after such execution, the Licencee made an application to retain an area described in Schedule B-I/II/III... stating the reasons for retention of such area.
- D. Accordingly, the State Government is executing this supplementary exploration Licence over the [retained area/ final retained area after three years] as described in Schedule B-I/II/III..
- E. All the other terms and conditions of the exploration licence shall be applicable to this supplementary licence.

1. DEFINITIONS

The expressions used in this Licence shall have the same meaning as ascribed to them under the Act and the rules made thereunder.

2. GRANT OF LICENCE

The State Government hereby grants the Supplementary Licence to the Licencee over an

area described in Schedule B-I/II/III... (“**Final/ Retained Area**”) for conducting reconnaissance/ prospecting/ both reconnaissance and prospecting operations for balance period out of five years (for retained area)/ for a balance period of two years (for final area), from the date of the execution of the exploration licence with respect to following mineral(s), [name of the minerals].

3. GOVERNING LAW

This Licence and all questions of its interpretation shall be construed in accordance with the laws of India. In the event of any dispute in relation to the this Licence and in respect of all matters touching the relationship of the Licencee and the State Government, suits of petitions shall be filed in civil courts at [name of the city]) and it is hereby expressly agreed that neither party shall file a suit or appeal or bring any actions at any place other than the courts named above.

In witness whereof there presents have been executed at the [name of place] on [date].

SCHEDULE A – LIST OF PERSONS*

S. No	Name	PAN Number	Address

* To be deleted if the Licencee is not an association of individuals.

SCHEDULE B: AREA OF EXPLORATION LICENCE

(Description of area, including Geo-coordinates, to be provided.)

SCHEDULE B-I: AREA OF SUPPLEMENTARY EXPLORATION LICENCE

(As retained out of the total area granted EL after surrender of part area)

(Description of area, including Geo-coordinates, to be provided.)

SCHEDULE B-II: AREA OF SUPPLEMENTARY EXPLORATION LICENCE

(As retained out of the total area granted EL after surrender of part area)

(Description of area, including Geo-coordinates, to be provided.)

SCHEDULE B-{N}: AREA OF SUPPLEMENTARY (FINAL) EXPLORATION LICENCE

(As finally retained after a period of three years from the date of execution of the EL)

(Description of area, including Geo-coordinates, to be provided.)

9. In the said rules, in Schedule IX and X, after the words “composite licence”, wherever they occur, the words “or exploration licence” shall be inserted.

[F. No. M.VI-1/3/2023-Mines VI]

(Dr. Veena Kumari Dermal)
Joint Secretary

Note:- The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 were published in the Gazette of India, Part II, section 3, sub-section (i) vide number G.S.R. 279(E) dated the 4th March, 2016 and lastly amended vide number G.S.R. 737(E), dated the 12th October, 2023.

[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 October, 2023

G.S.R. ___(E).— In exercise of the powers conferred by section 18 of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules further to amend the Mineral Conservation and Development Rules, 2017, namely:—

1. (1) These rules may be called the Mineral Conservation and Development (Second Amendment) Rules, 2023.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Mineral Conservation and Development Rules, 2017 (hereinafter referred to as the said rules), in rule 4,—

(i) for sub-rule (1), the following sub-rule shall be substituted, namely:—

“(1) Every holder of a reconnaissance permit or prospecting licence or the preferred bidder selected for grant of composite licence or exploration licence, shall submit to the Controller General or the authorised officer a scheme of reconnaissance or prospecting or both, as the case may be, within a period of ninety days from the date of execution of the permit or licence or issuance of letter of letter of intent, indicating the manner in which he proposes to carry out the reconnaissance or prospecting operations or both in the area covered under the permit or licence.”;

(ii) in sub-rule (2), in the opening line, after the words “reconnaissance or prospecting”, the words “or both” shall be inserted.

3. In the said rules, in rule 5,—

(i) in sub-rule (1), after the words “reconnaissance or prospecting”, the words “or both” shall be inserted;

(ii) in sub-rules (1) and (2), after the words “composite licence”, the words “or exploration licence” shall be inserted;

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

“(3) In case of exploration licence, a modified scheme of reconnaissance or prospecting or both shall be submitted to the Controller General or the authorized officer after three years from the date of execution of the licence, indicating the manner in which the licensee proposes to continue the reconnaissance and prospecting operations in the area retained under the licence under sub-section (11) of section 10BA.”.

4. In the said rules, in rules 6 and 7, after the words “composite licence”, the words “or exploration licence” shall be inserted.

5. In the said rules, in rule 8,—

(i) in sub-rules (1) and (2), after the words “composite licence”, the words “or exploration licence” shall be inserted;

(ii) in sub-rule (2), after the words “prospecting operations”, at both the places, the words “reconnaissance or prospecting operations” shall be substituted.

6. In the said rules, in rule 9,—

(i) in the marginal heading, after the words “composite licence”, the words “or exploration licence” shall be inserted;

(ii) for sub-rule (1), the following sub-rules shall be substituted, namely:—

“(1) Every holder of a reconnaissance permit or prospecting licence or composite licence or exploration licence shall submit to the Regional Controller General or the authorised officer, as the case may be, and to the State Government, a half-yearly report along with Form B of the Schedule-I so as to reach him in the following manner:

(i) report of the operations undertaken from 1st January to 30th June or part period thereof to reach by 15th August of each year, and

(ii) report of operations undertaken from 1st July to 31st December or part period thereof to reach by 15th February of each year.

(1A) The exploration licensee shall, within three months of the completion of the operations for which licence has been granted, or from the date of expiry of the exploration licence, whichever is earlier, submit geological report to the State Government and to the Controller General or the authorised officer of Indian Bureau of Mines, as the case may be, explaining the result of the reconnaissance and prospecting operations in the form of a

geological report prepared in accordance with rule 5 of the Mineral (Evidence of Mineral Contents) Rules, 2015; identifying the area suitable for grant of a mining lease.”;

(iii) for sub-rule (3), the following sub-rule shall be substituted, namely:—

“(3) Every agency authorised under the second proviso to sub-section (1) of section 4 shall submit to the State Government and the authorised officer a half-yearly report along with Form B of the Schedule-I as per the schedule provided in sub-rule (1).”.

7. In the said rules, after rule 9, the following rule shall be inserted, namely:—

“9A. Restriction on disclosure of information, scheme and reports.— The holder of exploration licence shall not in any manner disclose the information, scheme and reports prepared under these rules or any other geological information related to reconnaissance or prospecting operations to any person other than the Government or authority specified in these rules or any other rules framed under the Act, without prior approval of the Central Government.”.

8. In the said rules, in rules 12, 46, 47, 48, 50, 52, 53, 54, 55, 56, 59 and 64, after the words “composite licence”, wherever they occur, the words “or exploration licence” shall be inserted.

9. In the said rules, in rules 36, 37, 41, 42 and 44, after the words “composite licence”, wherever they occur, the words “, exploration licence” shall be inserted.

10. In the said rules, in rule 40, after the words “prospecting licence”, wherever they occur, the words “, composite licence, exploration licence” shall be inserted.

11. In the said rules, in rule 56, in sub-rule (1), for the words “prospecting”, the words “reconnaissance or prospecting” shall be substituted.

12. In the said rules, in Schedule I,—

(i) in Form-A, Form-B, Form-H, Form-I, Form-J, Form-K and Form-N, after the words “composite licence”, wherever they occur, the words “or exploration licence” shall be inserted;

(ii) in Form-A, Form-B, Form-H and Form-I, for the words, “Mineral Conservation Development Rules, 2016”, the words, “Mineral Conservation Development Rules, 2017” shall be substituted;

(iii) in Form-B, under the heading “IMPORTANT INSTRUCTIONS FOR FILLING THE FORM”, for the first bullet and the entry relating thereto the following bullet and the entry shall be substituted, namely:—

“• This Form, duly filled in must reach the concerned authorities within the period specified in rule 9(1), 9(2) or 9(4), as the case may be.”;

(iv) in Form-H, in entry 11, in clause (ii), after the words and symbol “Prospecting Licence/” the words and symbol “Composite licence/exploration licence” shall be inserted.

[F. No. M.VI-1/3/2023-Mines VI]

(Dr. Veena Kumari Dermal)
Joint Secretary

Note:- The Mineral Conservation and Development Rules, 2017 were published in the Gazette of India, Part II, section 3, sub-section (i) *vide* number G.S.R. 169(E) dated the 27th February, 2017 and lastly amended *vide* number G.S.R. 294(E), dated the 11th April, 2022.

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

New Delhi, the October, 2023.

G.S.R. ___(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 Minerals (Evidence of Mineral Contents) Rules, 2015, namely:—

1. Short title and commencement.— (1) These rules may be called the Minerals (Evidence of Mineral Contents) Amendment Rules, 2023.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Minerals (Evidence of Mineral Contents) Rules, 2015 (hereinafter referred to as the said rules), in rule 5, after the word and figure “section 11”, the words and figure “or section 11D” shall be inserted.

3. In the said rules, in rule 7,—

(i) in sub-rule (1), after the word and figure “section 11”, the words and figure “or section 11D” shall be inserted;

(ii) in sub-rule (1A), the following proviso shall be inserted, namely:—

“Provided that in respect of any mineral specified in the Part D of the First Schedule of the Act, proposal shall be submitted to the Central Government.”;

(iii) in sub-rule (1B), the following proviso shall be inserted, namely:—

“Provided that in respect of any mineral specified in the Part D of the First Schedule of the Act, in order to identify mineral potentiality of a block based on the available geoscience data where resources are yet to be established as referred in clause (a) of sub-rule (1),

including in any block proposed by any person under the sub-rule (1A), the Central Government shall place it before a committee consisting of the following members:—

(a) Additional Secretary or Joint Secretary in the Ministry of Mines, Government of India – Chairman;

(b) Deputy Director General of the State Unit of Geological Survey of India of the State concerned – Member;

(c) Principal Secretary or Secretary in the Mining and Geology Department of State Government (by whatever name called) or his representative – Member

(c) Director (Technical), Ministry of Mines, Government of India - Member Secretary.”;

(iii) in sub-rule (1D), after the words “State Government”, occurring at the both places, the words “or the Central Government, as the case may be” shall be inserted.

3. In the said rules, in Schedule III,—

(i) after the words and bracket “Government of ___ [mention name of State Government]” the following shall be inserted, namely:—

“OR

To,

The Director (Technical),

Ministry of Mines,

Government of India,

Shastri Bhawan, New Delhi – 110001.

[strike-out whichever is not applicable]”;

(ii) after the words “for consideration of the State Government”, the words, letter and brackets “/ the Central Government *[strike-out whichever is not applicable]*” shall be inserted.

(Dr. Veena Kumari Dermal)

Joint Secretary to the Government of India

Note:- The Minerals (Evidence of Mineral Contents) Rules, 2015 were published in the Gazette of India, Part II, section 3, sub-section (i) *vide* number G.S.R.304(E), dated the 17th April, 2015 lastly amended *vide* number G.S.R. 856 (E), dated the 14th December, 2021.