

Government of Jharkhand
Department of Mines & Geology

1. These Rules may be called the Jharkhand Minor Mineral Concession (Amendment) Rules 2013.

It shall come into force from the date of its publication in the Jharkhand Gazette.

2. Amendment of Rule-2

Following shall be added in Rule-2 after sub rule-28

- (29) **‘Competitive bid’** means an amount offered by the participant in the open auction or tender process under these rules;
- (30) **‘Letter of intent’** (LoI) means a ‘Letter of Intent’ issued to the Applicant or successful bidder on acceptance of the bid for grant of a mining lease or contract or permit or a mineral concession granted in any other form under these rules;
- (31) **‘Mining plan’** means a plan prepared by a recognized qualified person (RQP) on behalf of mineral concession holder of minor mineral and includes progressive and final mine closure plan;
- (32) **‘Scheme of mining’** means a scheme prepared by a recognized qualified person (RQP) on behalf of mineral concession holder for systematic and scientific mining of minor mineral;
- (33) **‘Scientific mining’** means and refers to mining operations consistent with the approved mining plan/scheme of mining, clearances/permissions granted by the competent authority;
- (34) **‘Scientific test’** means any test conducted for geological or chemical analysis of minerals and rocks exclusively for academic and research

purposes without any commercial motive;

- (35) **‘Un-authorized mining’** means any mining operation undertaken without any valid mineral concession granted under the Act;
- (36) **‘Unscientific mining’** means and refers to the manner of undertaking mining operations not consistent with the mining plan/scheme of mining approved, clearances/ permissions granted by the competent authority;
- (37) **‘Environmental clearance certificate’** means a certificate issued by MoEF.
- (38) **“Illegal mining”** means any reconnaissance or prospecting or mining operation undertaken by any person or a company in any area without holding a reconnaissance permit or a prospecting licence or, as the case may be, a mining lease, as required under sub-section (1) of section 4 of the act.

Explanation:- For the purpose of this clause,-

- (a) Violation of any rules, other than the rules made under section 23C of the Act, within the mining lease area by a holder of a mining lease shall not include illegal mining;
 - (b) Any area granted under a reconnaissance permit or a prospecting licence or a mining lease, as the case may be, shall be considered as an area held with lawful authority by the holder of such permit or licence or a lease, while determining the extent of illegal mining.
- (39) **“Presiding Officer”** means Deputy Commissioner or any officer authorized by him to preside over the process of initiating competitive bids;

3. Amendment of Rule-5

Following shall be added in Rule-5 as sub-rule (5)

5 (5) No lease/permit shall be **granted/renewed** without obtaining Environmental clearance from MoEF.

4. Amendment of Rule-11

Following shall be substituted in Rule-11 (a)

11 (a) Each application of Mining Lease shall be provided with LoI within 120 days from the receipt of application.

Following shall be added in Rule-11 as Rule 11 (d)

11 (d) Each application of Mining Lease shall be granted within 90 days after submitting Environmental Clearance from MoEF.

5. Substitution of Chapter-7

Following shall be substituted as Chapter-7

Chapter-7

Procedure for inviting competitive bids/ auctions and payments

Mode of Grant of mining lease or permit.

45.(1) Save in the cases specifically mentioned under these rules and where such mineral concessions may be granted on application, all mining leases/ permits shall be granted through a transparent process of inviting competitive bids/ open auction, as may be decided by the Government.

(2) The Government may, in the interest of mineral conservation and scientific mining, pre-qualify the potential bidders, based on an objective assessment criteria determined upfront, by inviting Expressions of Interest through general public notice and restrict the bids among the pre-qualified bidders.

Determination of reserve price for inviting bids/ auction.

- 46.(1)** The Deputy Commissioner of the concerned district shall upfront determine the reserve price in each case with the approval of the Government where the mineral concessions are granted through competitive bidding/ open auction, as the case may be;
- (2)** State's priorities with regard to the observance of principles of sustainable development, inter-generational equities and conservation of minerals, scientific mining, availability of construction material at economic rates for developmental works and the State Revenues shall remain the over-arching principles in fixing the reserve prices;
- (3)** The reserve price may be fixed keeping in view the past trends, availability of mineral reserves in the area, the potential, access and proximity to the markets. However, any aberrations in the auctions held earlier and the bids received of exceptionally lower or higher amount, due to whatsoever reasons, may be ignored.
- (4)** In case of no bid/ offer is received against a reserve price fixed for an area on two successive occasions, the Deputy Commissioner may revise the reserve price downwards at appropriate level.

Public notice for inviting expressions of Interest/bids/open auctions.

- 47.(1)** A public notice of 21 days shall be published in the Official Gazette for inviting bids or conduct of open auctions for the grant of mineral leases/ permits, as the case may be:

Provided that the Government may, in exceptional circumstances and for reasons to be recorded in writing, reduce such notice period from twenty one days which shall not less than ten days.

- (2) In addition to the publication of notice inviting competitive bids/ open auction in the Government Gazette under sub-rule (1) above, the gist of such notice, along with the Schedule for inviting bids/ holding open auctions, shall also be published;
- (i) on the notice board of the office of Deputy Commissioner of the concerned district and the concerned field offices of the Mines & Geology Department;
 - (ii) in two daily newspapers, of which one should be in vernacular language, having good circulation in the area; and
 - (iii) on the website of the Department and/ or any other common website address as may be decided by the Government.
- (3) A copy each of the said public notice shall also be sent to the Public Relations Officer of the concerned districts for giving wide publicity in the area.

Earnest money

48. (1) The intending bidder shall deposit the earnest money, equal to ten percent of the reserve price and rounded by an amount of Rs. 10,000/-, in each case before commencement of open auction or deposited with the bid, as the case may be;
- (2) In case of competitive bids invited through sealed tenders, the earnest money shall accompany the bid offers in the form of a Demand Draft drawn in favor of the District/Assistant Mining Officer;
 - (3) In the case of open auctions, the earnest money deposited by all bidders, save in the cases where the earnest money has been ordered to be forfeited by the Presiding Officer on grounds of any misconduct

during the auction proceedings, shall be refunded immediately upon completion of the auction proceedings;

- (4) In case the highest bidder fails to deposit 10% of the annual bid amount towards the 'Initial bid security', his earnest money shall be forfeited and such bidder shall not be eligible to participate in any such auctions/ competitive bids in respect of the same area or any other area in the State for a period of five years;
- (5) No person, who is a defaulter of any mining dues in respect of any mineral concession granted in the past or any other current mineral concession and/or his family members, shall be eligible to participate in the auction or bid process. In case he is found to be in such arrears at any stage, his bid shall be revoked with forfeiture of the amount deposited by him. In case any of the partners of a Partnership Firm or a Director of a company participating in the bid/ auction process or any of their family members are found to be defaulters, the bidder firm/ company would be held ineligible and attract similar action:

Provided that where any injunction has been granted by a court of law or any other competent authority staying the recovery of any such amount, the non-payment thereof shall not be treated as a disqualification for the purpose of participation in the auction;

- (6) The terms and conditions and other details of the auction shall also be read out by the auction committee headed by the Deputy Commissioner, or in his absence by the Additional Deputy Commissioner, of the district concerned in case of open auctions before commencement of the auction proceedings.

Powers of the Presiding Officer

- 49.(1)** The presiding officer shall conduct the auction in a peaceful manner and may direct any bidder to leave the auction premises in the event of a disorderly conduct by or on behalf of any bidder. In cases of extreme misconduct or misbehavior, the presiding officer may order the forfeiture of earnest money deposited by such bidder and recommend his debarring from participation in any future auctions.
- (2)** The presiding officer may provisionally accept or reject the highest bid offered/ received during the auction proceedings and send his recommendations to the Deputy Commissioner, who shall obtain the orders of the government thereon.

Payments of the bid amount

- 50.(1)** No bid shall be regarded as 'successful' unless accepted by the Government or any officer authorized by the Government;
- (2)** The highest bidder shall be required to deposit an amount equal to 25% of the annual dead rent as the 'Security' along with an additional amount equal to one month's dead rent in advance;
- (3)** The process for completion of the various stages of payment as specified under sub-rule (2) above shall be as follows:
- (i)** On completion of the bid process i.e. the fall of the hammer or the opening of the sealed bids, as the case may be, the highest bidder shall deposit an amount equal to 10% of the annual bid amount as 'Initial Bid Security'.
 - (ii)** The amount deposited towards the 'initial bid security' would be adjusted as part of the Bid Security on acceptance of the bid by the

Government or any officer authorized by the Government and the Department will issue a Letter of Intent (LoI) in favor of the successful bidder;

- (iii)** The letter of intent holder shall deposit the balance amount of Bid Security i.e. equal to 15% of the annual bid amount before commencement of mining operations or before expiry of the period allowed, which shall not be more than twelve months, whichever is earlier, along with an additional amount equal to one month's dead rent/ contract money;
- (iv)** The amount of security already deposited towards the initial bid security shall be duly adjusted to make up the twenty five percent of the bid amount towards the bid Security;
- (v)** Wherever a LoI holder fails to deposit the balance fifteen percent amount towards security as prescribed under sub-rule (3)(iii) above, and/or fails to execute the agreement after the issue of letter of intent, the same shall be deemed to have been revoked and the ten percent amount deposited by him towards 'initial bid security' shall stand forfeited. In addition, the letter of intent holder/ defaulter shall be liable to deposit the unpaid balance of fifteen percent to make up twenty five percent of the bid amount as bid security;
- (vi)** Where the LoI holder fails to deposit the unpaid fifteen percent amount on demand, such amount shall be recoverable as arrears of land revenue and such bidder shall be debarred from participation in any subsequent bids for a period of five years;
- (vii)** No interest, whatsoever, shall be payable on the security amount deposited under proper security head of the Government;

- (viii) On enhancement of the dead rent with expiry of every three years period, the lessee shall deposit the balance amount of security so as to upscale the security amount equal to 25% of the revised annual dead rent as applicable for one year with respect to the next block of three years.

6. Substitution of Chapter-8

Following shall be substituted as Chapter-8

Scientific & Systematic Mining and Environmental Safeguards

Chapter - 8

Mining operations to be undertaken as per the Mining Plan

Mining Plan.

- 51.** Any mining operations under a mineral concession granted under these rules shall be undertaken by the mineral concession holder in accordance with a duly approved 'Mining Plan' :

Provided that the State Government may exempt certain specified nature of mining activities from the requirements of preparation of a mining plan.

Registration of a "Recognized Qualified Person" (RQP).

- 52.** (1) No person shall be registered as a 'Recognized Qualified Person' for the purposes of rule 53 (1) by the State Government, unless he possesses:
- (i) a degree in mining engineering or a post-graduate degree in Geology granted by a university established or incorporated by or under an Act of Parliament or any institution recognized by the University Grants Commission established under section 4 of the University Grants Commission Act, 1956 (3 of 1956) or any qualification equivalent thereto; and

- (ii) professional experience of five years of working in a supervisory capacity in the field of mining or mineral administration after obtaining a degree or qualification required under clause (1) (i) above.
- (2) Any person possessing the qualifications and experience as prescribed under sub-rule (1) above, may apply to the State Government, or an officer authorized by him, for registration as a RQP along with a fee of Rs. 1,000/- (Rs. one thousand only). The Government may, after making such enquiry as deemed appropriate, grant or refuse to grant recognition and where recognition is refused; the Government shall record the reasons therefore in writing and communicate the same to the applicant.
- (3) The applicant recognized under sub-rule (2) above shall be so registered for a period of ten years and his registration may be further renewed on application and deposit of the fee as applicable at such time for a further period not exceeding ten years at any one time.
- (4) The registration of a person as ‘Recognized Qualified Person’ may be revoked at any time in the case of any misconduct on the part of such person after giving him a notice and opportunity of hearing. Similarly, the State Government may refuse to renew recognition for reasons to be recorded in writing after giving him an opportunity of hearing.

Preparation of a Mining Plan by a Recognized Qualified Person.

- 53.(1) A mining plan shall be prepared by a Recognized Qualified Person (RQP), recognized in this behalf by the State Government or an officer authorized by the Government.
- (2) The State Government may specify all such persons who are so recognized by him under sub-rule (1) above and keep such a list of

persons published and updated on the website of the department.

**Officer authorized for approval/ modification of the Mining Plan/
Scheme of mining.**

54. The State Government may authorize any of his officers to approve or modify the Mining plan/ Scheme of mining for mining of Minor Mineral in the State subject to such officer fulfilling the following qualifications:
- (i) a degree in mining engineering or post-graduate degree in mining engineering from a university established or incorporated by or under a Central Act, a Provincial Act or a State Act, including any institution recognized by the University Grant Commission established under section 4 of the University Grants Commission Act, 1956 (3 of 1956), or any equivalent qualification granted by any university or institution outside in India; and
 - (ii) possesses professional experience of 10 years in case of a Mining Engineer in the field of mining and after obtaining the basic academic qualification.

Requirements of a Mining Plan.

55.(1) Every mineral concession holder shall prepare a Mining Plan along with the Mine Closure Plan (Progressive & Final) and shall not commence mining operations in any area except in accordance with such Mining Plan duly approved by an officer authorized by the State Government in this behalf. The plan shall also contain the conceptual plan of the mining area and take into consideration the following aspects:

- (i) Level of Production;
- (ii) Level of Mechanization;

- (iii) Type of Machinery used;
 - (iv) Quantity of diesel/ energy fuel consumption;
 - (v) Number of trees uprooted due to proposed mining operations.
- (2) Where the mining operations have already been undertaken under an existing mineral concession before the commencement of these rules, the holder of such mineral concession shall also submit a Mining Plan along with Mine Closure Plan within a period of ninety days from the commencement of these rules for approval by the authorized officer.
- (3) Every mining plan or scheme of mining submitted for approval under these rules shall be accompanied with a non-refundable fee of Rs. 5,000 for every square kilometer or part thereof in respect of the mining area covered under the mining plan.
- (4) Every mining plan shall contain all plans, sections serially numbered or suitably indexed. The tracings or copies of such plans and sections duly certified for its correctness by the owner, agent, mining engineer or manager or geologist, by the mining engineer/geologist appointed by the concession holder, shall be kept at the site office of the minor mineral mine/ concession area.
- (5) A mining plan shall incorporate the following as a minimum:
 - (i) the plan of the area under concession delineated on a map with boundaries duly marked along with the positions of boundary pillars with GPS readings;
 - (ii) the plan of the area under concession showing the nature and extent of the mineral body/spot or spots where the mining operations are proposed to be undertaken;

- (iii) the plan of the area showing natural water courses, limits of reserves and other forest areas and density of trees, if any, assessment of impact of mining activity on forest, land surface and environment including air and water pollution i.e. the environment management plan;
 - (iv) details of the geology and lithology of the area including the estimated mineral reserves of the area;
 - (v) extent of manual mining or mining with the use of machinery and mechanical devices;
 - (vi) tentative scheme of mining and annual programmed and plan for excavation/ production from year-to-year for a period of five years as part of the Mining Plan;
 - (vii) proposed method of mining/ development of mines, use of explosives and blasting operations, if any, stacking and disposal of minerals, mine-drainage pattern, handling of the overburden, location of electronic weigh bridges, and mineral processing, if any;
 - (viii) progressive and final mine closure plan;
 - (ix) details of scheme of restoration/rehabilitation of the area through afforestation, land reclamation, use of pollution control devices and such other measures as may be directed by the State Government from time to time.
- (6) In addition to the requirements stipulated under sub-rule (4) above, every mining plan shall delineate the approach in respect of environmental safeguards and restoration and rehabilitation measures

of the area with regard to the following, among others:

- (i) precautions for the protection of environment and control of pollution while undertaking mining operations in the area granted on lease;
- (ii) control of air pollution due to dust, exhaust emissions or fumes during mining or processing operations for minor mineral and related activities and containing the same within permissible limits specified under any environmental laws for the time being in force;
- (iii) precautions to prevent or reduce the discharge of toxic and objectionable liquid effluents from minor mineral quarry, workshop or processing plant within the permissible limits. No such toxic affluent shall be discharged in any water body or in the sub-soil through a bore-hole;
- (iv) abatement of and control over the noise arising out of mining and processing operations for minor minerals so as to keep the same within the permissible limits;
- (v) prevention and containment of any damage to the flora of the area held under concession and the nearby area, scheme of undertaking plantation to compensate for any unavoidable damage and maintenance of the same during the subsistence of the concession period;
- (vi) removal and stacking of any top soil or over-burden or waste rock and non- saleable minor mineral excavated/ generated during the mining operations and utilization of the same for

restoration and rehabilitation of the area;

(vii) plan for phased restoration, reclamation and rehabilitation of land affected by mining operations.

(7) The mining plan, once approved, shall be valid for the mineral concession period, unless revised and modified and got approved during the concession period.

(8) The owner, agent, mining engineer or manager of every mine shall review the mining plan after every five years and shall submit scheme of mining for the next five years of the concession period, as the case may be, to the authorized officer for his approval.

Modification in the mining Plan or Scheme and other conditions.

56. (1) Where any modification of the approved mining plan is required during the subsistence of the mineral concession, the concession holder shall get any such modification approved from the officer authorized in this behalf;

(2) The authorized officer may, wherever needed, require the mineral concession holder to make such modifications in the mining plan referred to above or impose such conditions, as he may consider necessary by an order in writing if such modification or imposition of condition are considered necessary:

(a) in the light of the experience of operation of mines;

(b) in view of the change in the technological development; and

(c) in the light of any change in legal provisions or orders of any Court.

- (3) A mineral concession holder, desirous of seeking modifications in the approved mining plan as are considered expedient in the interest of safe and scientific mining, conservation of minerals, or for the protection of environment, shall apply to the authorized officer in this behalf, setting forth the intended modifications and also explaining the reasons for the same;
- (4) The officer authorized in this behalf shall approve the mining plan or such modified mining plan or scheme of mining with or without any modification, as deemed appropriate, within a period of forty-five days from the date of receipt or submission of such application for approval of mining plan or modified mining plan or scheme of mining, as the case may be.
- (5) Where no decision is conveyed within the aforesaid period of forty-five days, the mining plan or modified mining plan or scheme of mining, as the case may be, shall be deemed to have been provisionally approved, till such time a final decision in the matter is communicated;
- (6) The mineral concession holder shall furnish financial assurance amounting to Rs. 5,000/- per hectare of the area granted under the mineral concession and put to use for mining and allied activities subject to a minimum of 20000/- rupees in the form and manner as defined.

7. Substitution of Chapter-9

Following shall be substituted as Chapter-9

Chapter - 9

Regulation and control of mining operations

Mining to be undertaken in a scientific and systematic manner.

57. (1) The mining operations shall be undertaken in a scientific and systematic manner i.e. mining operations consistent with the approved Mining Plan/ scheme of mining, clearances/ permissions granted by the competent authority.
- (2) Any un-scientific operation or contravention of the terms of grant or permission (excepting the conditions relating to payment of Government dues) to operate by the mineral concession holder shall amount to violation or breach of the grant.

Non-compliance with or violation of the terms and conditions of the mineral concessions

58. (1) A mineral concession holder shall be held to be in 'default' of compliance of the conditions of grant of mineral concession in cases where the non-compliance is rectifiable suo motu or upon a notice within the period indicated in such notice. Some of the instances of major violations on the part of the mineral concession holder may be in the following areas:
- (i) Undertaking mining operations in an unsafe and unscientific manner i.e. without bench formation, non-erection or maintenance of boundary pillars, lack of labor safety measures, and the regulations pertaining to the use of explosives;
 - (ii) Non-installation of the electronic weigh bridges or, the weigh bridges, if installed, are found to be not calibrated properly to

- ensure correct weighing;
- (iii) Non-adherence to the rules with regard to the limits prescribed for stocking of minerals and failure to furnish the prescribed returns in this behalf;
 - (iv) Dispatch of mineral from the concession area without a valid mineral transit pass and through a vehicle not possessing a valid mineral transport permit;
 - (v) Non-submission of the prescribed reports and returns as per the time frame prescribed;
- (2) Wherever non-compliance of terms and conditions of the mineral concession or violation thereof is observed, it shall cause a notice to be served upon the mineral concession holder to rectify the default and take corrective measures within such period as may be specified in such notice.

Breach of terms and conditions and the Consequences

59. (1) Any failure on the part of the mineral concession holder to rectify any default or take corrective measures under rule 58 above within the period specified, or such violation being irreversible and non-rectifiable, or recurrence of defaults takes place, the same shall amount to a 'breach' of the terms and conditions of grant of the mineral concession;
- (2) Wherever a mineral concession holder is observed to be in 'breach' of the conditions of grant, the Deputy Commissioner shall be competent to take any or all of the following actions:
- (i) suspension of the mining operations and dispatch of mineral from the concession area. He would be holding the inventory of

stocks, duly assessed at the time of suspension of operation, till such time the suspension order is revoked. The period of suspension may continue up to a period of three months or till such time the breach condition is rectified, whichever is earlier;

- (ii) temporary seizure of the stocks of the mineral excavated in raw or processed form till such time the stocks are reconciled with the records and established to have been accepted from legal sources;
- (iii) termination of the concession with forfeiture of the security in whole or in part and also forfeiture of the mineral lying in the area and its disposal by the competent authority; and
- (iv) de-barring the individuals/firms/companies for grant of a fresh mineral concession in the state for a period of up to 5 years.

Procedure for dealing with 'Breach' conditions and the penalties

60. (1) A breach of any of the conditions of grant of a mineral concession or violation of any of the conditions relating to permission or clearance to undertake mining by any authority shall be dealt as under:-
- (i) The Deputy Commissioner shall, upon inspection by himself or any officer of the department or on reporting of any violation amounting to breach by any other competent authority, issue a notice to the mineral concession holder to show cause within the period specified therein as to why the mineral concession be not prematurely terminated along with forfeiture of the amount of security, in full or part thereof, and forfeiture of the mineral already excavated while undertaking said operations;

- (ii) on receipt and examination of the reply of the mineral concession holder, the Deputy Commissioner may, on his satisfaction that the breach was either not entirely due to fault on the part of the concession holder or was beyond his control or the same had actually not been committed, settle the notice with such caution as deemed appropriate with or without any further directions;
- (iii) where the mineral concession holder admits to the breach having been committed on his part and promises to remedy the breach conditions in his reply and requests for grant of time, and the Deputy Commissioner is satisfied with such promise, he may grant time as deemed proper for implementation of the remedial measures with or without a surety;
- (iv) in case the Deputy Commissioner prima facie forms an opinion on examination of the reply of the mineral concession holder that the breach is of a recurring or continuing nature, he may order suspension of the mining operations with immediate effect along with a ban on dispatch of the mineral from the site or any other related activity in the mine;
- (v) In case the Deputy Commissioner is not satisfied with the reply submitted by the mineral concession holder, the Deputy Commissioner may terminate the mineral concession with or without forfeiture of the security amount in whole or part thereof along with forfeiture of the mineral already excavated while undertaking said operations. However, no such order shall be passed without affording an opportunity of show cause and representation to the mineral concession holder.

- (2) Wherever an order is passed under clause (v) of sub-rule (1) above against a mineral concession holder, he or the partnership firm in which he may be a partner, or the company in which he may be a Deputy Commissioner, may be de-barred for the grant of a fresh mineral concession for a period of five years from the date of passing such order.

8. Change of Chapters and Re-numbering in existing Rules-2004.

Rules 45 to 70 of JMMC Rules 2004 shall be numbered as 61 to 86 in amended JMMC (Amendment) Rules-2013.