

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

GOVERNMENT OF INDIA
MINISTRY OF MINES

NOTIFICATION

New Delhi, the 10th April, 2003.

G.S.R.330(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, 1988, namely:-

1. (1) These rules may be called Mineral Conservation and Development (Amendment) Rules, 2003.

(2) They shall come into force on the date of their publication in the Official Gazette.
2. In rule 3 of Mineral Conservation and Development Rules, 1988 (hereinafter referred to as the said rules), -
 - (i) clause (a) shall be renumbered as (aa) thereof, and before clause (aa) as so renumbered, the following clause shall be inserted, namely:-

‘(a) “abandonment of mine” means final closure of a mine either whole or part thereof when the mineral deposits within mine or part thereof, have been fully extracted or when the mining operations have become uneconomic;’
 - (ii) after clause (j), the following clause shall be inserted, namely:-

‘(jj) “final mine closure plan” means a plan for the purpose of decommissioning, reclamation and rehabilitation in the mine or part thereof after cessation of mining and mineral processing operations that has been prepared in the manner specified in the standard format and guidelines issued by the Indian Bureau of Mines;
 - (jjj) “financial assurance” means the sureties furnished by the leaseholder to the competent authority so as to indemnify the authorities against the reclamation and rehabilitation cost;’
 - (iii) after clause (m), the following clause shall be inserted, namely:-

‘(mm) “mine closure” means steps taken for reclamation, rehabilitation measures taken in respect of a mine or part thereof commencing from cessation of mining or processing operations in a mine or part thereof;’
 - (iv) after clause (o), the following clause shall be inserted, namely:-

‘(oo) “progressive mine closure plan” means a progressive plan, for the purpose of providing protective, reclamation and rehabilitation measures in a mine or part thereof that has been prepared in the manner specified in the standard format and guidelines issued by Indian Bureau of Mines;’;

(v) after clause (t), the following clause shall be inserted, namely:-

‘(tt) “temporary discontinuance” means the planned or unplanned suspension of mining operations in a mine or part thereof and where the operations are likely to be resumed after certain time;’.

3. In rule 23 of the said rules, for sub rule (5), the following sub-rule shall be substituted, namely :-

“(5) The leaseholder shall not abandon a mine or part thereof unless a final mine closure plan duly approved by the Regional Controller of Mines or the officer authorized by the State Government in this behalf, as the case may be, is implemented. For this purpose, the lessee shall be required to obtain a certificate from the Regional Controller of Mines or the officer authorized by the State Government in this behalf to the effect that protective, reclamation and rehabilitation work in accordance with the final mine closure plan or with such modifications as approved by the competent authority, have been carried out before abandonment of mine.”.

4. After rule 23 of the said rules, the following rules shall be inserted, namely:-

“23A. Mine Closure Plan.- Every mine shall have Mine Closure Plan, which shall be of two types:-

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

23B. Submission of Progressive Mine Closure Plan.- (1) The owner, agent, manager or mining engineer shall, in case of fresh grant or renewal of mining lease, submit a progressive mine closure plan as a component of mining plan to the Regional Controller of Mines or officer authorized by the State Government in this behalf as the case may be.

(2) The owner, agent, manager or mining engineer shall, in case of existing mining lease submit a progressive mine closure plan to the Regional Controller of Mines or the officer authorized by the State Government in this behalf, as the case may be, for approval within a period of one hundred and eighty days from the date of commencement of this rule.

(3) The owner, agent, manager or mining engineer shall review the progressive mine closure plan every five years from the date of its approval in case of existing mine or from the date of opening of the mine in case of fresh grant or from the date of renewal of mining lease, as the case may be, and shall submit to the Regional Controller of Mines or officer authorised by the State Government in this behalf, as the case may be, for its approval.

(4) The Regional Controller of Mines or the officer authorised by the State Government in this behalf, as the case may be, shall convey his approval or refusal of the progressive mine closure plan within ninety days of the date of its receipt.

(5) If approval or refusal of the progressive mine closure plan is not conveyed to the owner, agent, manager or mining engineer of the mining lease within the period as specified in sub-rule (4), the progressive mine closure plan shall be deemed to have been provisionally approved, and such approval shall be subject to final decision whenever communicated.

23C. Submission of final mine closure plan.- (1) The owner, agent, manager or mining engineer shall submit a final mine closure plan to Regional Controller of Mines or the officer authorised by the State Government in this behalf, as the case may be, for approval one year prior to the proposed closure of the mine.

(2) The Regional Controller of Mines or the officer authorised by the State Government in this behalf, as the case may be, shall convey his approval or refusal of the final mine closure plan within ninety days of the date of its receipt to the owner, agent, manager or mining engineer.

(3) If approval or refusal of the final mine closure plan is not conveyed to the owner, agent, manager or mining engineer of the mining lease within the period as specified in sub rule (2), the final mine closure plan shall be deemed to have been provisionally approved, and such approval shall be subject to final decision whenever communicated.

23D. The modification of mine closure plan.- (1) The holder of a mining lease desirous of seeking modifications in the approved mine closure plan, shall submit to the Controller General or the officer authorised by the State Government in this behalf, as the case may be, for approval setting forth the intended modifications and explaining the reasons for such modifications.

(2) The Controller General or the officer authorised by the State Government in this behalf, as the case may be, may approve the modifications as submitted under clause (1) or approve with such alterations as he may consider expedient.

23E. Responsibility of the holder of mining lease.- (1) The owner, agent, manager or mining engineer shall have the responsibility to ensure that the protective measures contained in the mine closure plan referred to in this rule including reclamation and rehabilitation works have been carried out in accordance with the approved mine closure plan or with such modifications as approved by the Regional Controller or the officer authorised by the State Government in this behalf under this rule.

(2) The owner, agent, manager or mining engineer shall submit to the Regional Controller of Mines or the officer authorised by the State Government in this behalf, as the case may be, a yearly report before 1st July of every year setting forth the extent of protective and rehabilitative works carried out as envisaged in the approved mine closure plan, and if there is any deviation, reasons thereof.

23F. Financial assurance.- (1) Financial assurance, has to be furnished by every leaseholder. The amount of financial assurance shall be rupees twenty five thousand for A category mines and rupees fifteen thousand for B category mines, per hectare of the mining lease area put to use for mining and allied activities. However, the minimum amount of financial assurance to be furnished in any of the forms referred to in clause (2) shall be rupees two lakh for A category mines and rupees one lakh for B category mines.

Provided that a leaseholder shall be required to enhance the amount of financial assurance with the increase in the area of mining and allied activities:

Provided further that where a leaseholder undertakes reclamation and rehabilitation measures as part of the progressive closure of mine, the amount so spent shall be reckoned as sum of the financial assurance already spent by the leaseholder and the total amount of financial assurance, to be furnished by the lessee, shall be reduced to that extent;

(2) The financial assurance shall be submitted in one of the following forms to Regional Controller of Mines or the officer authorised by the State Government in this behalf, as the case may be, or any amendment to it :

- (a) Letter of Credit from any Scheduled Bank;
- (b) Performance or surety bond;
- (c) Trust fund build up through annual contributions from the revenue generated by mine and based on expected amount sum required for abandonment of mine; or
- (d) Any other form of security or any other guarantees acceptable to the authority;

(3) The lessee shall submit the financial assurance to the Regional Controller of Mines or the officer authorised by the State Government in this behalf, as the case may be, before executing the mining lease deeds. In case of an existing mining lease, the lessee shall submit the financial assurance along with the progressive mine closure plan.

(4) Release of financial assurance shall be effective upon the notice given by the lessee for the satisfactory compliance of the provisions contained in the mine closure plan and certified by the Regional Controller of Mines or the officer authorised by the State Government in this behalf, as the case may be.

(5) If the Regional Controller of Mines or the officer authorised by the State Government in this behalf, has reasonable grounds for believing that the protective, reclamation and rehabilitation measures as envisaged in the approved mine closure plan in respect of which financial assurance was given has not been or will not be carried out in accordance with the mine closure plan, either fully or partially, the Regional Controller of mines or the officer authorised by the State Government in this behalf, shall give the lessee a written notice of his intention to issue the orders for forfeiting the sum assured atleast thirty days prior to the date of the order to be issued.

(6) Within thirty days of the receipt of notice referred to in sub-rule(5), if no satisfactory reply has been received in writing from the lessee, the Regional Controller of Mines or the officer authorised by the State Government in this behalf as the case may be, shall pass an order for forfeiting the surety amount and a copy of such order shall be endorsed to the concerned State Government.

(7) Upon the issuance of order by the Regional Controller of Mines or the officer authorised by the State Government in this behalf, as the case may be, the concerned State Government may realise any letter of credit or bond or any other surety, guarantee provided or obtained as financial assurance for the purpose of performance of protective, reclamation, rehabilitation measures and shall carry out those measures, or appoint an agent to do so.”.

5. For rule 24 of the said rules, the following rule shall be substituted, namely :-

“24. Notice of temporary discontinuance of work in mines and obligations of the lease holders. - (1) The owner, agent, mining engineer or manager of every mine shall send to Controller General, Controller of Mines and the Regional Controller of Mines a notice in Form D-1 when the mining or mineral processing operations in the mine or part thereof are discontinued for a period exceeding ninety days so as to reach them within one hundred and five days from the date of such temporary discontinuance.

(2) Where the discontinuance takes place as a result of the occurrence of natural calamity beyond the control of the owner, agent, mining engineer or manager of a mine, or in compliance with any order or directions issued by any statutory authority established under any law in force or any tribunal or a court, a telegraphic intimation shall be sent to the Controller General and the Regional Controller within a period of twenty-four hours of such discontinuance, and a notice of discontinuance, under this sub rule shall be submitted to the Controller General, Controller of Mines and the Regional Controller within a period of fifteen days of such discontinuance in Form D-1.

(3) During the temporary discontinuation of mine or part thereof, it shall be the responsibility of the owner, agent, manager or mining engineer to comply with the reasonable prohibitive measures to restrict access for unauthorised entry, provide protective measures to potentially danger sources of electrical and mechanical installations, the mine openings or workings and all other structures. It shall be ensured that all contaminated effluents are controlled and all physical, chemical, biological monitoring programmes have been continued. It shall also be ensured that all rock piles, over burden piles and stock piles and tailings and other water impoundment structure have been maintained in stable and safe conditions.”.

6. In rule 45 of the said rules, in sub-rule (1),-

(a) in clause(a), in item number (iii), for the word “ bauxite”, the words “bauxite and laterite” shall be substituted;

(b) in clause (c), in item number (iii), for the word “ bauxite”, the words “ bauxite and laterite” shall be substituted.

7. In rule 57 of the said rules, in sub-rule (7), for the entry “Rs.500/-”, wherever they occur, the entry “Rs.1000/- (rupees one thousand)” shall be substituted.

8. In the Schedule to the said rules,-
 (a) for Form-D, the following Forms shall be substituted, namely :-

“FORM - D

(Notice of intention of abandonment of mine or part of the mine)

[See rule 23(2)]

To

1. The Controller General
 Indian Bureau of Mines,
 Nagpur – 440 001
2. The Controller of Mines,
 Indian Bureau of Mines,
 _____ PIN
3. The Regional Controller of Mines,
 Indian Bureau of Mines.
4. State Government Concerned

IMPORTANT

Notice in Form shall reach the concerned authorities within 90 days of the date of intention of abandonment.

1. (i) Name of the mineral worked: _____

(ii) Name of other mineral worked, if any : _____

2. Name of the mine

3. Name and address of the Lessee/Owner

4. Particulars of Mining Lease (ML):

(i) Date of Execution:

(ii) Period _____ Years, from _____ to _____

(iii) Area under lease _____ hectares

5.. Location of Mine

(a) Village:

(b) Post Office:

(c) District:

(d) State

6. Name and address of Agent:

7. Name and address of Mining Engineer:

8. Date of abandonment:

9. Reasons for abandonment: [Please tick whichever is applicable]

- i) Lack of demand
- ii) Exhaustion of ore/mineral
- iii) Un-economic operations

10. Reserve of Mineral(s) in Mining Lease area (in tonne):

- i) Proved
- ii) Probable
- iii) Possible

11. Number of workers employed in the mine: Male Female

- a) Company labour
- b) Contract labour

Total

Place:
Date :

Signature
Name in full:
Designation:
(Owner/Agent/Mining
Engineer/Manager);

FORM D-1

(Notice of temporary discontinuance of mine)

[See rule 24]

To

1. The Controller General
Indian Bureau of Mines,
Nagpur – 440 001

2. The Controller of Mines,
Indian Bureau of Mines,

PIN

3. The Regional Controller of Mines,
Indian Bureau of Mines.

4. State Government Concerned.

IMPORTANT

Notice in Form shall reach the concerned authorities within one hundred and five days of temporary discontinuance of work in the mine. If the discontinuance is due to natural calamity beyond the control of the lessee or Government Orders, this notice shall be sent within fifteen days of such occurrence.

1. (i) Name of the mineral worked: _____

(ii) Name of other mineral worked, if any : _____

2. Name of the mine

3. Name and address of the Lessee/Owner

4. Particulars of Mining Lease (ML):

(i) Date of Execution:

(ii) Period Years, from to

(iii) Area under lease hectares

5. Location of Mine

(a) Village:

(b) Post Office:

(c) District:

(d) State

6. Name and address of Agent:

7. Name and address of Mining

Engineer:

8. Date of temporary discontinuance:

9. Reasons for temporary discontinuance:

[Please tick whichever is applicable]

- i) Lack of demand
- ii) Non-availability of Labour
- iii) Rains
- iv) Transport bottleneck
- v) Strike/Lockout
- vi) Operation becoming uneconomic
- vii) Other reasons (specify)

10. Probable date of re-opening of the mine:

Place:

Date :

Signature

Name in full:

Designation:

(Owner/Agent/Mining Engineer/Manager);

(b) in Form F-2, in Part-II, in serial number 2 relating to “Grade-wise Production, Despatches and Stocks of Processed ore”, in the Table, under the column heading “Grade (% of Mn content),-

(i) in item (c), for the entry, the entry, “35% to below 46%” shall be substituted;

(ii) after item (e) and entries relating thereto, the following entry shall be inserted, namely:-

"(f) Concentrates";

(c) in Form F-3,

(1) for the word “BAUXITE”, occurring against serial number (i), the words “BAUXITE AND LATERITE” shall be substituted;

(2) in Part-II, in serial number 2 relating to “Grade-wise Production, Despatches and Stocks of Processed ore”, in the Table, for the column heading “Grade (% of Al₂O₃ content)” and entries occurring below it, the following shall be substituted, namely:-

“Grade and % of Al₂O₃ content

A. For use in alumina and aluminium extraction:-

(Please furnish averages of the following ranges of grades):-

- (a) Below 40%
- (b) 40% to below 45%
- (c) 45% to below 50%
- (d) 50% to below 55%
- (e) 55% to below 60%
- (f) 60% and above

B. For use other than alumina and aluminium metal extraction :-

(Please furnish end use industrial grade):-

- (a) cement
- (b) abrasive
- (c) refractory
- (d) chemical
- (e) others(including for export)”;

(d) in Form F-4, in Part-II, in serial number 2 relating to “Grade-wise Production, Despatches and Stocks of Processed ore”, in the Table, for the column heading “Grade (% of Cr₂O₃ content)” and entries occurring below it, the following shall be substituted, namely:-

“Grades (% of Cr₂O₃ content)

A. Lumps

- (a) Below 40% Cr₂O₃
- (b) 40% to below 52 % Cr₂O₃
- (c) 52% Cr₂O₃ and above

B. Fines

- (a) Below 40% Cr₂O₃
- (b) 40% to below 52 % Cr₂O₃
- (c) 52% Cr₂O₃ and above

C. Concentrates”;

(e) in Form F-6, in Part-II, for serial number 1 relating to, “Production, despatches and stocks of crude and dressed mica (in kilograms)”, and the column headings and columns, the following shall be substituted, namely-

“1. Production, despatches and stocks of crude and dressed mica. (in kilograms)

	Crude (r.o.m.)	Waste / scrap, mica obtained incidental to mining	Waste / mica obtained after preliminary dressing (at mine site)
1	2	3	4”;

(f) in Form F-8, in Part-II (PRODUCTION, DESPATCHES AND STOCKS), in serial number 2 for the entry “* In case of limestone grades are : (a) LD,(b) SMS/Chemical and (c) BF/Cement”, occurring at below the Table, the following shall be substituted, namely:-

"*The typical grades shall be following:-

Asbestos: (a) Amphibole (b) Chrysotile

Rock Phosphate/Phosphorite: (a) 30- 35% P₂O₅ (b) 25- 30 % P₂O₅ (c)20-25% P₂O₅ (d) 15-20% P₂O₅

Barytes: (a) White (including snow-white) (b) Off colour

Fluorite/Fluorspar : (a) 85% CaF₂ and above (b) 70 to below85% CaF₂ (c) 30 to below 70% CaF₂ (d) Below 30% CaF₂

Graphite: (a) with 80 per cent or more fixed carbon (b) with 40 per cent or more but less than 80 per cent fixed carbon (c) with less than 40 per cent fixed carbon

Kaolin/Chinaclay, Ball clay, White shale, White clay: (a) Crude (Natural) (b) Processed

Kyanite: (a) 40% Al₂O₃ & above (b) Below 40% Al₂O₃

Limestone: (a) LD, (b), SMS/Chemical and (c) BF/Cement

Talc/Steatite/Soapstone: (a) Insecticide (filler) grade (b) Other than insecticide (filler) Grade.";

(g) in Form F-9, in Part II, in the Note, after clause (b), the following shall be inserted, namely:-

" (c) The data in Part-II above shall be furnished grade-wise. The grades for iron ore shall be as per Form F-1, those for manganese ore as per Form F-2, for bauxite and laterite as per Form F-3, for chromite as per Form F-4 , for copper, lead, zinc, pyrites, gold, tungsten as per Form F-5, for mica, as per Form F-6, for precious and semi-precious stones as per Form F-7, and for other minerals as mentioned in Form F-8, respectively.";

(h) in Form H-2, in Part-V, in serial number 2 relating to “Grade-wise Production, Despatches and Stocks of Processed ore, in the Table, under column heading “Grade (% of Mn content), after item (e) and entries relating thereto, the following shall be inserted, namely:-

"(f) Concentrates";

(i) in Form H-3,

(1) for the word, “BAUXITE, occurring against serial number (i) ” the words “BAUXITE AND LATERITE”, shall be substituted.

(2) in Part-V, in serial number 2 relating to “Grade-wise Production, Despatches and Stocks of Processed ore”, in the Table, for the column heading “Grade (% of Al₂O₃ content)” and entries occurring below it , the following shall be substituted, namely:

“Grade and % of Al₂O₃ content

A. For use in alumina and aluminium extraction:-

(Please furnish averages of the following ranges of grades):-

(a) Below 40%

(b) 40% to below 45%

- (c) 45% to below 50%
- (d) 50% to below 55%
- (e) 55% to below 60%
- (f) 60% and above

B. For use other than alumina and aluminium metal extraction :-
(Please furnish end use industrial grade):-

- (a) cement
- (b) abrasive
- (c) refractory
- (d) chemical
- (e) others (including for export”);

(j) in Form H-4, in Part-V, in serial number 2 relating to “Grade-wise Production, Despatches and Stocks of Processed ore”, in the Table, for the column heading “Grade (% of Cr₂O₃ content)” and entries occurring below it, the following shall be substituted, namely:-

“Grades (% of Cr₂O₃ content)

A. Lumps

- (a) Below 40% Cr₂O₃
- (b) 40% to below 52 % Cr₂O₃
- (c) 52% Cr₂O₃ and above

B. Fines

- (a) Below 40% Cr₂O₃
- (b) 40% to below 52 % Cr₂O₃
- (c) 52% Cr₂O₃ and above

C. Concentrates”;

(k) in Form H-6, in Part-V, for serial number 1 relating to “Production, Despatches and Stocks of crude and dressed mica. (in kilograms) the column headings and columns, the following shall be substituted, namely-

“1. Production, dispatches and stocks of crude and dressed mica. (in kilograms)

	Crude (r.o.m.)	Waste / scrap, mica obtained incidental to mining	Waste / mica obtained after preliminary dressing (at mine site)
1	2	3	4”;

(l) in Form H-8, in Part-V (PRODUCTION, DESPATCHES AND STOCKS), in serial number 2, for the entry “* In case of limestone, grades are : (a) LD,(b) SMS/Chemical and (c) BF/Cement”, occurring at below the Table, the following shall be substituted, namely:-

“*The typical grades shall be following:-
Asbestos: (a) Amphibole (b) Chrysotile

Rock Phosphate/Phosphorite: (a) 30- 35% P₂O₅ (b) 25- 30 % P₂O₅ (c)20-25% P₂O₅ (d) 15-20% P₂O₅

Barytes: (a) White (including snow-white) (b) Off colour

Fluorite/Fluorspar : (a) 85% CaF₂ and above (b) 70 to below85% CaF₂ (c) 30 to below 70% CaF₂ (d) Below 30% CaF₂

Graphite: (a) with 80 per cent or more fixed carbon (b) with 40 per cent or more but less than 80 per cent fixed carbon (c) with less than 40 per cent fixed carbon

Kaolin/Chinaclay, Ball clay, White shale, White clay: (a) Crude (Natural) (b) Processed

Kyanite: (a) 40% Al₂O₃ & above (b) Below 40% Al₂O₃

Limestone: (a) LD, (b) SMS/Chemical and (c) BF/Cement

Talc/Steatite/Soapstone: (a) Insecticide (filler) grade (b) Other than insecticide (filler) grade”.

(m)in Form H-9, in Part V, in serial number 4, relating to “Grade-wise Production, Despatches and Stocks of Processed ore” , -

(1) in the Table for the first column heading “Grade (indicate actual grade)”, the following shall be inserted, namely:-

“Grades (As per royalty rates*)”;

(2) after the Table, and before serial number 5, the following shall be inserted, namely: -

“Note: The data in Part-V above shall be furnished grade-wise. The grades for iron ore shall be as per Form H-1, those for manganese ore as per Form H-2, for bauxite and laterite as per Form H-3, for chromite as per Form H-4, for copper, lead, zinc, pyrite, gold, tungsten as per Form H-5, for mica, as per Form H-6, for precious and semi-precious stones as per Form H-7, and for other minerals as mentioned in Form H-8, respectively.”.

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

(S.P. GUPTA)

Joint Secretary to the Government of India

Note: The principal rules were published in the Official Gazette, vide GSR No.1023(E) dated 24.10.1988 and subsequently amended by –

1. GSR No.227(E) dated 22.4.1991
2. GSR No.580(E) dated 4.8.1995
3. GSR No.55(E) dated 18.1.2000
4. GSR No.744(E) dated 25.9.2000
5. GSR No.22(E) dated 11.1.2002