



The Punjab Gazette

PUBLISHED BY AUTHORITY

LAHORE WEDNESDAY MARCH 20, 2002

GOVERNMENT OF THE PUNJAB
INDUSTRIES & MINERAL DEVELOPMENT
DEPARTMENT

Dated Lahore, the 20th March, 2002.

NOTIFICATION

No. V(I&MD)3-21/95 VOL-II. In exercise of the powers conferred upon him under section 2 of the Regulation of Mines and Oil-fields and Mineral Development (Government Control) Act, 1948 (XXIV of 1948), the Governor of the Punjab is pleased to direct that the following rules shall be made.-

PART-I PRELIMINARY

1. Short title and commencement.- (1) These rules may be called the Punjab Mining Concession Rules, 2002.

(2) They shall come into force at once.

2. Definitions.- In these rules unless there is any thing repugnant to the subject or context.-

- (i) “**assignee**” means a person, a firm or a company to whom a license or mineral title is assigned, transferred or mortgaged under these rules;
- (ii) “**Authorised Officer**”, in relation to any provision of these rules, means a person designated under these rules;
- (iii) “**Collector**” shall have the same meaning as assigned to him under the Punjab Land Revenue Act, 1967 (XVII of 1967);
- (iv) “**company**” means.-
 - a) a company as defined in the Companies Ordinance, 1984 (XLVII of 1984); or
 - b) a body corporate formed by or under any law for the time being in force and incorporated in Pakistan;
- (v) “**Department**” means the Department of Industries, Mines and Minerals Government of the Punjab.
- (vi) “**drilling**” means the perforation of the earth’s surface otherwise than by pitting, trenching or sinking a shaft, whether the hole is vertical, inclined or horizontal, and includes all operations for preventing the collapse of the

- sides of the hole or for preventing the hole from becoming fined with extraneous matter, including water;
- (vii) “**exploration**” means search for minerals, and includes the determination of their extent and economic value;
- (viii) “**exploration area**” means the area of land, including its lateral limits, to which an exploration license relates;
- (ix) “**Exploration License**” means a license for exploration issued under these rules;
- (x) “**Exploration Operation**” mean any operation carried on in connection with exploration including any accessing, extraction or incidental winning of any mineral for the purpose of mineralogical examination, assaying, test work or marketability surveys and such marketability survey shall exclude commercial marketing except for mineral title allowed;
- (xi) “**Financing Institution**” means an institution recognized as such by the State Bank of Pakistan for the purpose of advancing credit/loan facilities;
- (xii) “**Good Reconnaissance Practices**” “**Good Exploration Practices**” or “**Good Mining Practices**” means practices which are generally accepted internationally by persons involved in reconnaissance operations, exploration operations, or mining operations, as the case may be, as safe and necessary in carrying out such operations;
- (xiii) “**Government**” means the Government of the Punjab;
- (xiv) “**Governor**” means the Governor of the Punjab;
- (xv) “**Group**” in relation to minerals, means minerals declared in Schedule 3 to constitute a named group of minerals;
- (xvi) “**Large Scale Mining Undertaking**” means a project of mining involving a capital of more than Rs.300 million governed by Part 2 of these rules;
- (xvii) “**land**” includes surface bearing any mineral, land beneath water and the subsoil of land;
- (xviii) “**lateral limits**” in relation to an area of land subject to a mineral title or a prospecting license, means the vertical lines passing through the sides by which that area is bounded;
- (xix) “**lease**” means a mining lease granted under these rules;
- (xx) “**lessee**” means a person, a firm or a company to whom a mining lease is granted under these rules and includes his successors in interest;
- (xxi) “**license**” means a prospecting license granted under these rules;
- (xxii) “**licensee**” means a person, a firm, or a company to whom a prospecting license is granted under these rules, and includes his successors-in-interest;
- (xxiii) “**Licensing Authority**” means.-
- a) in respect of major minerals the Director General, Mines and Minerals, Punjab in Mining Projects involving the capital of Rs.300 million or above and in mining projects involving a capital less than Rs.300 million, the Director, Mines and Minerals, Punjab or an authority to whom powers have been delegated by the Government; and
 - b) in respect of minor minerals, the Director, Mines and Minerals, Punjab or an authority to whom powers have been delegated by the Government;

- (xxiv) “**minor minerals**” means ordinary sand, sand stone, silt stone, slate stone and gravel and may include any other mineral so declared by the Government, and

Original Clause xxiv

“ minor minerals ” means ordinary sand, ordinary stone, limestone, sand stone, building stone, decorative stone including ebry stone but excluding marble, mill stone, dolomite, slate stone and gravel and may include any other mineral so declared by the Government, and

- (xxv) “**mine**” means any surface or underground excavation where any operation for the purpose of searching for or obtaining a mineral has been or is being carried on, and includes all works, machinery, tramway, ropeway and siding, whether above or below ground, in or adjacent or belonging to or appurtenant to a mine but does not include the manufacturing or processing plant;
- (xxvi) “**mineral**” means all surface and sub-surface natural deposits of ores and metals and other metallic and non-metallic substances including naturally occurring aqueous solutions containing more than 1% mineral salt in solution, but does not include—
- (i) nuclear substances;
 - (ii) mineral oil; and
 - (iii) natural gas;
- (xxvii) “**Mineral Authority**” means the Mineral Investment Facilitation Authority notified by the Government;
- (xxviii) “**mineral operation**” means exploration operations or mining operations or both;
- (xxix) “**mining area**” means an area of land, including its lateral limits, to which a mining lease relates;
- New clause (xxiv-a) of Rule 2 was added vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003
- (xxix-a) “**Mining Consultant**” means a legal or natural person qualified in Mining Engineering or Geology duly registered with Director General, Mines & Minerals.
- (xxx) “**mining operation**” means any operation carried out in connection with the development of a mine, or the production of minerals from the mine, or both;
- (xxxi) “**ordinary sand**” means fluvatile deposit of minute fragments resulting from wearing down of pre-dominantly siliceous rocks mainly ranging from 5 micron to 2 millimeters in size including clays and silty sand containing more than 30% sand particles commonly known as “Bhassar/Ghassar” but does not include silica sand suitable for glass making;
- (xxxii) “**pit-mouth**” means a place above or adjacent to a mine where the mineral is collected, stored or taken charge of immediately after it has been mined;
- (xxxiii) “**reconnaissance operation**” means any operation carried on in a general search for any mineral by means of aerial sensing techniques, including geophysical surveys, photo geological mapping or imagery carried on from the air, and reconnaissance shall be construed accordingly;
- (xxxiv) “**retention area**” means the area of land, including its lateral limits, to which a mineral deposit retention license relates;
- (xxxv) “**Schedule**” means a schedule appended to these rules, and
- (xxxvi) “**Small Scale Mining Undertaking**” means a project of mining involving a capital of less than Rs.300/- million.

3. Grant of prospecting licenses and mineral titles.- (1) The Licensing Authority may, in accordance with these rules, grant prospecting licenses, mining leases and mineral titles for minerals.

(2) The Government may, by notification delegate powers to grant a prospecting license or a mineral title in respect of any mineral or group of minerals to any person or authority.

4. Confidentiality.- (1) Information disclosed under these rules to an officer employed in the Department shall not be disclosed to any person who is not such an officer or employee of the Department without the prior written approval of the person who provided the information, except to the extent that –

- (a) disclosure is authorised or required by law;
- (b) disclosure is required by order of a competent court, or for the purpose of any arbitration or litigation involving the Government;
- (c) the person providing the information authorised its disclosure at the time of providing the information;
- (d) disclosure is necessary to compile and publish official statistical information concerning geology and mineral resources of Punjab;
- (e) the disclosure is made to the Mineral Authority;
- (f) disclosure is for the purpose of the implementation of these rules or a mineral agreement, the formation of mineral policy or of giving advice to other departments or agencies of Government or for the purpose of any discussion or dealing with the Federal Government;
- (g) disclosure is affected with the prior permission in writing of the Government grant in respect of any matter which, in the opinion of the Government, is of a general nature and may be disclosed in the public interest; or
- (h) disclosure is in accordance with a relevant mineral agreement or a mineral title.

(2) An officer employed in or by the Department who uses, for the purpose of personal gain, any information disclosed under these rules that comes to him in the course of, or by reason of, that employment shall be guilty of an offence and be punishable under the Efficiency & Discipline Rules in force.

(3) The holder of a mineral title shall not disclose information acquired by the holder as such except as provided in paragraph (b) of rule 70 and in accordance with the title.

(4) Where a mineral title ceases to have effect in relation to an area of land and the holder of the title does not acquire a further title over that area, the Government shall have the right to disclose any information which it has received from the holder in respect of that area.

5. Immunity of officers, etc.- No liability shall attach to an officer employed in or by the Department, a member of the Mineral Authority or an authorised officer in respect of the exercise or performance, or purported exercise or performance, in good faith, of any function under these rules.

PART-2 LARGE SCALE MINING I- GENERAL

6. Types of mineral titles.- The following mineral titles may, subject to these rules, be issued, for the purposes of large scale mining, namely-

- (a) reconnaissance license;
- (b) exploration license;
- (c) mineral deposit retention license; or
- (d) mining leases.

Rule 7(1) amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003

7. Mineral agreements.- (1) The Government may, at the request of a person proposing to carry on mineral operations, enter into an agreement, relating to a mineral title, not inconsistent with these rules or any other law, with that person, if the Government is satisfied that substantial investment of more than three hundred million rupees is likely to be made in mineral operations and that the carrying on of the undertaking in question is desirable in the interest of the development of the mineral resources.

Original Rule 7(1)

Mineral agreements.- (1) The Government may, at the request of a person proposing to carry on mineral operations, enter into an agreement, relating to a mineral title, not inconsistent with these rules or any other law, with that person, if the Government is satisfied that substantial investment is likely to be made in mineral operations and that the carrying on of the undertaking in question is desirable in the interest of the development of the mineral resources.

(2) The Federal Government may, at the request of the Government be a party to, and to the negotiation of, a mineral agreement.

(3) A mineral agreement may, in particular, make provision with respect to all or any of the following matters-

- (a) the grant, renewal, cancellation or transfer of a mineral title;
- (b) minimum exploration operation to be carried on and related expenditures to be incurred for the purposes of those operations;
- (c) the formation of joint ventures;
- (d) the basis on which the fair market value of any mineral or group of minerals may, from time to time, be determined on an arms-length basis;
- (e) the payment of enhanced royalty in specified circumstances;
- (f) the payment of additional profits tax in specified circumstances;
- (g) the establishment of secondary and tertiary processing facilities;
- (h) the circumstances in which, and the conditions on which, rights of pre-emption of minerals may be exercised by the Government;
- (i) guarantees to ensure the due and proper performance of the obligation of the holder of the mineral title;
- (j) financial and insurance arrangements;
- (k) the settlement of any dispute which may arise in the interpretation or application of any provision of a mineral agreement by a sole expert or through international arbitration;
- (l) co-ordination of exploration or mining operation to be carried on by the person concerned under an exploration license or a mining lease with any such operation carried on by the holder of an exploration license or a mining lease in any neighbouring exploration area or mining area; and
- (m) other matters relating to mineral operations as the Government may determine or as the parties to the agreement may consider necessary.

(4) Where the Federal Government is a party to a mineral agreement, the agreement may contain provision with respect to any matter for which the Federal Government has executive authority under the Constitution.

(5) Nothing contained in a mineral agreement shall be construed as absolving any party thereto from complying with any requirement laid down by law from applying for, and obtaining, any mineral title, license, approval, permission or other document required by law.

(6) For the purpose of determining under sub rule(1) whether substantial foreign investment is likely to be made in any particular case the Government shall have regard to-

- (a) the likely scale of the capital investment to be made;
- (b) the expenditure and work programme proposed by the applicant;
- (c) in the event of a commercial discovery.
 - (i) the likely scale of operation; and
 - (ii) the likely infrastructure to be required;
- (d) the mineral or group of minerals to which the mining title, if granted would relate and the potential export of that mineral or group;
- (e) the techniques to be used for the recovery of that mineral or group;
- (f) the technical and financial capabilities of the applicant for a mineral title; and
- (g) other factors relevant to making that determination.

8. Applications under these rules.- (1) An application under these rules shall-

- (a) except where otherwise provided, be made to the Licensing Authority;
- (b) be in a form approved by the Licensing Authority; and
- (c) be accompanied by the fee specified in column three of Schedule I in respect of the application in question.

(2) An application may be withdrawn by the applicant giving to the Licensing Authority notice in writing to the effect that the application is withdrawn.

(3) Where more than one applications are made in respect of the same area of land, the applications shall be dealt with in the order in which they are received by the Licensing Authority.

(4) The Licensing Authority may grant, on such conditions as may be determined in writing by the authority, or refuse, an application.

9. Power of licensing authority in respect of applications.- (1) The Licensing Authority may at any time after the receipt of an application under these rules require the applicant by notice in writing-

- (a) to furnish the Licensing Authority within such reasonable period as may be specified in the notice with-
 - (i) in case of an applicant company such information as may be described in the notice to enable the Licensing Authority to determine who has, the controlling interest in the affairs of the company; or
 - (ii) such other information as may be described in the notice as the Licensing Authority may deem necessary for purposes of considering the application;
- (b) to publish particulars of the application in relation to-
 - (i) the full names of the applicant;
 - (ii) the area, the kind of mineral title, and the mineral or group of minerals to which the application relates, in such manner as may be specified in the notice;
- (c) to give such particulars of the application to the person or persons identified, in the manner specified, in the notice.

(2) In order to enable the Licensing Authority to consider any application the Licensing Authority may-

- (a) cause such investigations or negotiations to be made or undertaken as the authority may in its discretion deem necessary; or
- (b) require the applicant, by notice in writing, to furnish the authority, within such period as may be specified in the notice, with such proposals, by way of alternative to or in addition to proposals set out in the application.

(3) In considering any application and the conditions subject to which the application may be granted, the Licensing Authority shall take into account the need to conserve and protect the natural resources in, on or under the land to which the application relates and in, on or under adjoining or neighbouring land.

(4) Where the Licensing Authority is prepared to grant an application subject to certain conditions, the Licensing Authority shall give notice to the applicant accordingly, stating in the notice those conditions and the conditions referred to in rule 11.

(5) The applicant may, within the period of one month after notice is given to him pursuant to sub rule (4), or within such further period as the Licensing Authority may, on good cause shown, accept in writing the conditions or such other conditions as may be agreed by the Licensing Authority and the applicant.

10. Offences in relation to applications.- If an applicant fails.-

- (a) To comply with the requirements of a notice referred to in rule 9(1) or 9(2)(b); or
- (b) To agree as contemplated in rule 9(5), within the period specified in the notice, or such further period as may be allowed by the Licensing Authority, the application in question shall lapse on the expiry of the given period.

11. General conditions of mineral titles.- (1) In addition to any condition contained in the title or a mineral agreement, it shall be a condition of a mineral title that the holder of the mineral title shall-

- (a) exercise any right granted to the holder by or under these rules reasonably and in such manner that the rights and interests of the occupier of any land to which the title relates are not adversely affected except to the extent that the occupier is compensated;
- (b) in the employment of persons, give preference to citizens of Pakistan who possess appropriate qualifications, expertise and experience for the purposes of the operations to be carried on under the mineral title;
- (c) carry out training programmes in order to encourage and promote the development of citizens of Pakistan employed by the holder of the mineral title;
- (d) with due regard to the need to ensure technical and economic efficiency, make use of products or equipment, manufactured or produced, and services available;
- (e) co-operate with the persons involved in the mining industry to enable citizens of Pakistan to develop skills and technology and to render services in the interest of that industry;
- (f) take measures to prevent damage to the environment, and where some adverse impact on the environment is unavoidable, take measures to minimize such impact;
- (g) make good, any damage caused to the environment, as far as possible, during the course of exploration or mining operations and on the cessation of such operations due to expiry, or cancellation of the mineral title or otherwise;
- (h) in the case of a company, give to the Licensing Authority notice of any change in its name, registered address, directors or share capital, within thirty days as from the date of the change; or
- (i) in the case of a natural person, give to the Licensing Authority any change of his address, within thirty days of the change.

(2) It shall be a condition of every mineral title that before the commencement of exploration operations within a reserved or protected forest, thirty days notice in

writing shall be given to the Forest Officer concerned of the intention to commence the operations, and that the operations shall be conducted subject to any condition regarding the use of land that he may prescribe.

(3) A mineral title may provide for the pre-emption of minerals by the Government in such circumstances as are specified in the title, subject to the payment of the fair market price determined on the basis so specified.

(4) It shall be a condition of a mineral title that the holder of the title shall make such contributions for the benefit of the local population, to the Government to be used for such purposes, as may be provided for in the title or the mineral agreement.

(5) A mineral title may make provision with respect to any of the matters referred to in rule 7(3), other than paragraph (f).

Rule 12 was amended Vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003-

12. Restriction on exercise of rights by holder of mineral title.- (1) The holder of a mineral title shall not carry on exploration or mining operations at or upon any point within a distance of fifty meters from the boundary of the exploration area or, as the case may be, the mining area, except with the prior permission in writing of the Licensing Authority and in accordance with the conditions, if any, that it may impose.

(2) The holder of a mineral title shall not carry on exploration or mining operations at or upon any point within a distance of one hundred meters from any railway line, reservoir, canal or other public works, or buildings, except with the prior permission in writing of the Licensing Authority.

(3) The holder of a mineral title shall not erect any building or carry on any surface operations upon any public pleasure ground, cremation or graveyard, or place held sacred by any class of persons, or any house or village site, or public road or on any other place, which the Licensing Authority may exclude from such operations.

(4) The holder of a mineral title shall not, without the written permission of the appropriate authority-

- (a) cut or injure any tree on occupied land;
- (b) disturb the surface of any road;
- (c) enter on any public pleasure ground, cremation or graveyard, or place held sacred by any class of persons; or
- (d) interfere with any right of way, well, tank or cultivated agricultural land.

(5) All surface operations conducted under the authority of these rules within a reserved or protected forest shall be subject to such conditions as the Forest Department may, by general or special order, from time to time, prescribe. In the event of any disagreement between the Forest Department and the holder of a mineral title the matter shall be referred to the Secretary of the Department of Industries, Mines & Minerals whose decision shall be final.

(6) Before occupying any land for surface operations or clearing any land, the holder of a mineral title shall give to the Licensing Authority one month's prior notice in writing specifying by name or other sufficient designation and quantity the land proposed to be occupied and the purpose for which the same is required.

(7) The Licensing Authority shall at any time within one month from the receipt of a notice given pursuant to sub-rule(1) state the objections, if any, on grounds of public interest to the proposed site, and the holder of the mineral title in question shall not proceed with any of the operations mentioned in sub-rule (1) until the objections are removed.

(8) The holder of a mineral title shall make and pay such reasonable compensation as may be assessed by lawful authority in accordance with the laws in force on the subject applying to the lands over which the title has been granted, for all damage, injury or disturbance which may be done by the holder in exercise of the powers granted by the title, and the holder shall indemnify the Licensing Authority against all

claims which may be made by third party in respect of any such damage, injury or disturbance. "In case of dispute" the matter shall be referred to the Licensing Authority for a final decision".

(9) Any person who contravenes or fails to comply with the provisions of sub-rules (1), (2), (3), (4), (6), (7), or (8) shall be guilty of an offence and be liable to pay compensation as determined by the Licensing Authority, in addition to fine as prescribed by the Government from time to time.

Original Rule 12

12. Restriction on exercise of rights by holder of mineral title.- (1) The holder of a mineral title shall not carry on exploration or mining operations at or upon any point within a distance of fifty meters from the boundary of the exploration area or, as the case may be, the mining area, except with the previous permission in writing of the Licensing Authority and in accordance with the conditions, if any, that it may impose.

(2) The holder of a mineral title shall not carry on exploration or mining operations at or upon any point within a distance of one hundred meters from any railway line, reservoir, canal or other public works, or buildings, except with the previous permission in writing of the Licensing Authority.

(3) The holder of a mineral title shall not erect any building or carry on any surface operations upon any public pleasure ground, cremation or graveyard, or place held sacred by any class of Authority may exclude from such operations.

(4) The holder of a mineral title shall not, without the written permission of the appropriate authority-

- (a) cut or injure any tree on occupied land;
- (b) disturb the surface of any road;
- (c) enter on any public pleasure ground, cremation or graveyard, or place held sacred by any class of persons; or
- (d) interfere with any right of way, well, tank or cultivated agricultural land.

(5) All surface operations conducted under the authority of these rules within a reserved or protected forest shall be subject to such conditions as the Forest Department may, by general or special order, from time to time, prescribe. In the event of any disagreement between the Forest Department and the holder of a mineral title the matter shall be referred to the Secretary of the Department of Industries, Mines & Minerals whose decision shall be final.

(6) Before occupying any land for surface operations or clearing any land, the holder of a mineral title shall give to the Licensing Authority one month's prior notice in writing specifying by name or other sufficient designation and quantity the land proposed to be occupied and the purpose for which the same is required.

(7) The Licensing Authority shall at any time within one month from the receipt of a notice given pursuant to sub-rule(1) state the objections, if any, on grounds of public interest to the proposed site, and the holder of the mineral title in question shall not proceed with any of the operations mentioned in sub-rule (1) until the objections are removed.

(8) The holder of a mineral title shall make and pay such reasonable compensation as may be assessed by lawful authority in accordance with the laws in force on the subject applying to the lands over which the title has been granted, for all damage, injury or disturbance which may be done by the holder in exercise of the powers granted by the title, and the holder shall indemnify the Licensing Authority against all claims which may be made by third party in respect of any such damage, injury or disturbance. "In case of dispute" the matter shall be referred to the Licensing Authority for a final decision".

(9) Any person who contravenes or fails to comply with the provisions of sub-rules (1), (2), (3), (4), (6), (7), or (8) shall be guilty of an offence and be liable to pay compensation as determined by the Licensing Authority, in addition to fine as prescribed by the Government from time to time.

13. Directions to holder of mineral title.- (1) The Licensing Authority may, with due regard to good reconnaissance, exploration or mining practices, by notice in writing given to the holder of a mineral title, give directions to the holder in relation to.-

- (a) the carrying out of reconnaissance operations, exploration operations and mining operations, including any works connected therewith;
- (b) the conservation of any natural resources, including mineral resources, and the prevention of the waste of such resources;
- (c) the protection and preservation of the surface of mines or works and of buildings, roads, railways and other structures and enclosures on or above the surface of land, and the conditions under which such building, road, railway, structure and enclosure may be undermined;
- (d) the construction, erection, maintenance operation, use or removal of structures, equipment and other goods used in connection with the exploration for, or the mining or conveyance of minerals;
- (e) the protection of the environment including the prevention and combating of pollution of the air or land which arises or may arise in the course of the operations involved in exploration or mining of any mineral or after such operations have ceased;
- (f) the making safe of undermined ground and of dangerous slimes, tailings, dams, waste dumps, ash dumps, shafts, holes, trenches or excavation of whatever nature made in the course of exploration or mining operations;
- (g) the safety, welfare and health of persons employed in or in connection with reconnaissance operations, exploration operations and mining operations and the conveyance of minerals;
- (h) the taking, preservation and furnishing to the Licensing Authority of cores, cutting or samples of minerals from mines or excavations;
- (i) the submission to the Licensing Authority of reports, returns and other information;
- (j) the taking of logs or directional surveys or the making of other investigations; and
- (k) the creation of safety zones in relation to structures erected on land to which the mineral title relates.

(2) The Licensing Authority may, if the holder of a minerals title fails to comply, within such period as may be specified in a notice given under sub-rule (1), or such further period as the Authority may on good cause shown allow in writing, with any direction given under sub-rule (1) to the satisfaction of the Authority, cause such steps to be taken as may necessary to comply with the direction, and may recover from the holder the costs incurred in connection with the taking of any such steps, as a debt due to the Government.

(3) Any holder of a mineral title who contravenes or fails to comply with a notice given to him under sub-rule (1) shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to rectification of the default within a period given by the Licensing Authority failing which the mineral title may be withdrawn.

II-RECONNAISSANCE LICENSE

14. Rights of holder of reconnaissance license.- (1) Subject to these rules and the conditions of the license, a reconnaissance license shall confer on the holder of the license-

- a. the non-exclusive right, or where sub-rule (3) applies, the exclusive right, to carry on reconnaissance operation in relation to the reconnaissance area in question in respect of any mineral or group of minerals to which the license relates; and
- b. the right subject to sub-rule (2), to carry on such other operations, including the erection or construction of ancillary works, in the reconnaissance area as may be reasonably necessary for, or in connection with, any reconnaissance operation of kind referred to in paragraph (a).

(2) The holder of a reconnaissance license shall not erect or construct any of the ancillary works such as are referred to in sub-rule (1) (b) without the prior consent in writing of the Licensing Authority given, on application made in that behalf to the authority by the holder, either unconditionally or subject to such conditions as the authority may impose.

- (3) Subject to sub-rule (4), the Licensing Authority may, on application by-
 - (a) a person applying for a reconnaissance license, grant to the applicant a reconnaissance license; or
 - (b) the holder of a reconnaissance license, cause an endorsement to be made on the reconnaissance license,

by virtue of which an exclusive right is conferred on the applicant or the holder to exercise the rights referred to in sub-rule (1) (a), if the Licensing Authority is on reasonable grounds satisfied that the extent of the reconnaissance operations to be carried out and the expenditure to be incurred in relation to the reconnaissance area justify the grant of such exclusive right.

(4) An exclusive right such as is referred to in sub-rule (3) shall not be granted in respect of any area of land-

- (a) to which any other mineral title giving an exclusive right to carry on reconnaissance, exploration or mining operations relates, or
- (b) to which a Prospecting License relates,

to carry on reconnaissance, exploration or, as the case may be, mining operations for the same mineral or group of minerals as those to which the exclusive right would, if granted, relate.

(5) Subject to sub-rule (3), a reconnaissance license shall not confer on the holder an exclusive right to carry on reconnaissance operations as provided in sub-rule (1)(a).

15. Duration of reconnaissance license.- (1) Subject to these rules, a reconnaissance license shall be valid for such period, not exceeding twelve months, as may be specified in the license.

(2) Notwithstanding sub-rule (1), and subject to the other provisions of these rules, where an application is made by the holder of a reconnaissance license for the grant of an exploration-

- (a) in relation to an area of land in or which constitutes the reconnaissance area; and
- (b) in respect of a mineral or group of minerals in relation to which the holder of the license has the exclusive right under rule 14(3) to carry on reconnaissance operations,

the reconnaissance license shall not expire in relation to that area of land and mineral or group of minerals while the application is considered until the license applied for is issued, or the application is refused or withdrawn or has lapsed, whichever first occurs.

16. Application for reconnaissance license.- (1) An application for the grant of a reconnaissance license shall--

- (a) give in respect of the person or, if there is more than one person, of each person making the application;
 - (i) case of an individual, the full names and nationality, date of birth and postal and residential address of the person; or
 - (ii) in the case of a company, its name and particulars of its incorporation and registration, the full names, address and nationalities of the directors and officers and, if the company has a share capital, the full names, address and nationalities of any person who is the beneficial owner of more than five per centum of the issued share capital;
 - (b) Be made in respect of an area of land which is upto 5,000 sq. km. except where special exemption is granted by the Government for the mega projects;
 - (c) Identify the mineral or group of minerals in respect of which a license is sought;
 - (d) Be accompanied by a detailed topographical and geological description of the boundaries of the area of land of which the application relates, and a plan drawn to an appropriate scale of such area showing--
 - (i) its location with reference to the coordinates of the bench mark on topographic sheets;
 - (ii) the extent of the area and the boundaries by reference to identifiable physical features and co-ordinates reference points;
- Rule 16(1)(e)(i) was amended vide notification No.V(I&MD)3-21/95 Vol-III dated 30.04.2003
- (e) contain particulars of.-
 - (i) the programme of reconnaissance operations prepared by a Mining Consultant and proposed to be carried on, the estimated expenditure in respect thereof and the period within which the operations shall be carried on; and

Original Rule 16(1)(e)(i)
the programme of reconnaissance operations proposed to be carried on, the estimated expenditure in respect thereof and the period within which the operations shall be carried on; and

 - (ii) in the case of an application for an exclusive right such as is referred to in rule 14(3), the reason for the application;
 - (f) furnish such particulars as may be necessary to determine the applicant's technical and financial resources or, where applicable, those of any person contractually engaged to provide such resources, and copies of relevant contractual agreements;
 - (g) furnish.-
 - (i) particulars of all other mineral titles held or mines operated in Punjab by the applicant, whether alone or jointly, currently or during the ten years immediately preceding the date of the application; or
 - (ii) where no such titles or mines are or were held or operated, particulars of any current involvement by the applicant in reconnaissance, exploration or mining operations in and outside the Punjab.
 - (h) state the period, not exceeding twelve months, for which the license is required; and

- (i) be accompanied by such documents as the Licensing Authority may require in relation to any matter referred to in this rule.

(2) An application for the grant of a reconnaissance license may contain any other matter which in the opinion of the applicant is relevant to the application.

Rule 17 amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

17. Restrictions on grant of reconnaissance license.- The Licensing Authority shall not grant a reconnaissance license.-

Original Rule-17

Restrictions on grant of application for reconnaissance license.- The Licensing Authority shall not grant an application for a reconnaissance license.-
--

- (a) unless the Licensing Authority is satisfied that the applicant is a fit and proper person to hold the license;
- (b) if the applicant is, at the time of the application, in default unless the Licensing Authority is of opinion that special circumstances exist which justify the grant of the application notwithstanding the default;
- (c) unless the Licensing Authority, on reasonable grounds, is satisfied.-
- (i) with the programme of reconnaissance operations to be carried on and the expenditure to be incurred on reconnaissance operations; and
- (ii) that the applicant has the technical and financial resources to carry on those reconnaissance operations and make that expenditure; or
- (d) in respect of an area of land in relation to a mineral or group of minerals in respect of which an exclusive right has, under rule 14(3), been conferred on any other holder of a reconnaissance license.

Rule 18(1) amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

18. Issue of reconnaissance license.- (1) Subject to these rules Licensing Authority shall, upon the grant of a reconnaissance license, issue to the applicant a reconnaissance license on such conditions as may be agreed.

Original Rule 18(1)

Issue of reconnaissance license.- (1) Subject to these rules Licensing Authority shall, upon the granting of an application for a reconnaissance license, issue to the applicant a reconnaissance license on such conditions as may be agreed.

- (2) A reconnaissance license shall:
- (a) state the full names and address of the holder of the license;
- (b) state the date on which and the period for which the license is issued pursuant to rule 13(1);
- (c) state the extent of the area granted subject to rule 16(1)(b);
- (d) contain a description and plan, prepared by a qualified surveyor of the reconnaissance area, as provided in rule (16)(1)(d) containing geometrical or numerical depictions, or any combination thereof, in words or symbols of the area;
- (e) state the conditions, other than those referred to in rule 11, subject to which the license is issued;
- (f) state the mineral or group of minerals in respect of which the license is issued;
- (g) set out the approved programme of reconnaissance operations and related expenditures and;
- (h) contain such other particulars as the Licensing Authority, either generally or in any particular case, may determine.

19. Work programme of reconnaissance operations.- (1) Where the holder of a reconnaissance license is, by virtue of the conditions of the license, required to carry out

or to make within a particular period, in accordance with a work programme, certain minimum reconnaissance operations and expenditure, he shall furnish the Licensing Authority, on such date or dates as may be specified in the license, or as may be determined by the Licensing Authority and made known by notice in writing given to the holder, with particulars of such reconnaissance operations carried out and the expenditure made.

(2) The Licensing Authority may, on application made to it by the holder of a reconnaissance license by notice in writing to the holder, amend any work programme or expenditure referred to in sub-rule (1) in accordance with proposals contained in the application or to such extent as the Licensing Authority may deem expedient.

(3) The holder of a reconnaissance license who fails to comply with the requirements of a work programme referred to in sub-rule (1) shall, subject to the provisions of rule 74, be liable to pay in the Provincial Fund such penalty as may be provided for in the conditions of the reconnaissance license in question, in the event of such a failure.

20. Records, etc., license to be kept, etc. by holder of reconnaissance license.- (1) The holder of a reconnaissance license shall.-

- (a) keep at an address in Punjab a proper record in such form as may be determined in writing by the Licensing Authority in relation to.-
 - (i) the location and nature of all photo-geological studies, imaging and geophysical and other surveys carried on by the holder in the course of the reconnaissance operations in the reconnaissance area to which the reconnaissance license relates, and the results, interpretations and assessments of such studies and surveys;
 - (ii) the persons employed by the holder for purposes of the reconnaissance operations including the names, addresses, nationalities and ages of such persons;
 - (iii) the expenditure incurred by the holder in the course of the reconnaissance operations; and
 - (iv) such other information as may be determined by the Licensing Authority and specified by notice in writing given to the holder,

and shall retain such records for a period of not less than three years from the date of expiry of the license;

- (b) prepare or cause to be prepared and maintained at all times, plans and maps in respect of the reconnaissance areas;
- (c) prepare in respect of the period of the currency of the reconnaissance license a statement of income and expenditure derived or incurred in connection with the reconnaissance operations in the reconnaissance area and such other financial statements as the Licensing Authority may require in such form as the authority may determine; and
- (d) submit, within sixty days after the end of the currency of the reconnaissance license in respect of the whole of the reconnaissance area, or together with an application for an exploration license in respect of the whole or any portion of the reconnaissance area, to the Licensing Authority.-
 - (i) in such form as may be determined in writing by the Licensing Authority, a report in duplicate or, in the case where an application is made for an exploration license in respect of a portion of the reconnaissance area, separate reports in duplicate in respect of such portion and the remainder of the reconnaissance area, setting out in relation to such period.-

- (e) an evaluation of the prospects of the discovery of any mineral or group of minerals in the reconnaissance area;
- (f) all information, including photographs, tabulations, tapes and discs, in the records referred to in paragraph (a) and the plans and maps referred to in paragraph (b); and
 - (i) the statement of income and expenditure and financial statements referred to in paragraph (c).

(2) In the event of the cancellation or surrender of a reconnaissance license under rule 57 or rule 58, or expiry of the license, the person who was the holder of such license immediately before the cancellation, surrender or expiry shall, on a date not later than thirty days after the date of the cancellation, surrender or expiry, deliver to the Licensing Authority.-

- (a) all records kept in terms of the provisions of sub-rule (1)(a).
- (b) all maps and plans referred to in sub-rule (1)(b);
- (c) all reports, photographs, tabulations, tapes and discs prepared by or on behalf of such person in the course of the reconnaissance operations; and
- (d) such other books, documents, records and reports as the Licensing Authority may require by notice in writing given to such person,

or copies of such records, maps, plans, reports, photographs, tabulations, tapes, discs, books and documents, unless an exploration license is issued to such person in relation to the area to which such reconnaissance license relates with effect from the date following on the date of the cancellation, surrender or expiry or such later date as the Licensing Authority may, on good cause shown, allow.

(3) Any person, referred to in sub-rule (1) or (2), who contravenes or fails to comply with the provisions of that sub-rule shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be withdrawn.

III – EXPLORATION LICENSE

21. Right of holder of exploration license.- (1) Subject to these rules and the conditions of the license, an exploration shall confer on the holder of the exploration license.-

- (a) the exclusive right to carry on exploration operation in the area in question in respect of any mineral or group of minerals to which the license relates;
- (b) subject to the rights of surface holder, the right to enter and occupy the land which comprises the exploration area for the purpose of carrying out exploration operations;
- (c) the right to take and divert water on or flowing through such land and use it for any purpose necessary for exploration operations subject to and in accordance with the provisions of the relevant law;
- (d) with the permission in writing of the Licensing Authority previously obtained generally or in every particular case the right.-
 - (i) to remove from the exploration area any mineral or group of minerals or sample thereof, for the purpose of testing, assaying or pilot plant studies, from any place where it was found or incidentally won in the course of such exploration operations to any other place whether within or outside the Punjab or subject to such other permission as may be required under other relevant law, outside Pakistan; and

- (ii) to sell or otherwise dispose of limited amounts of any such mineral or group of minerals or of material excavated during exploration operations; and
 - (c) subject to sub-rule (2), to do all other things, including the erection or construction of ancillary works, in the exploration area, as may be reasonably necessary for, or in connection with, any exploration operations of the kind referred to in paragraph (a).
- (2) The provisions of rule 12(2) shall apply mutatis mutandis in relation to the holder of an exploration license wishing to erect or construct accessory works under sub-rule (1) as they apply in relation to the holder of a reconnaissance license.

22. Duration of exploration license.- (1) Subject to these rules, an exploration license shall be valid.-

- (a) for such period, not exceeding three years, as may be specified in the license and;
 - (b) subject to rule 27(2)(e), for such further period, not exceeding three years, as may be determined by the Licensing Authority in relation to any renewal of the license as from the date on which the license would have expired if an application for its renewal had not been made, or, on the date on which the application for the renewal is granted, whichever is later.
- (2) Notwithstanding the provisions of sub-rule (1) but subject to the other provisions of these rules.-
- (a) an exploration license shall not expire during any period when an application for renewal of the license is being considered until the application is refused or withdrawn or lapses, whichever first occurs, or if the application is granted, until such time as the license is renewed in consequence of the application; or
 - (b) where the application is made by the holder of the exploration license for the grant of a mineral deposit retention license or a mining lease in relation to an area of land in or which constitutes the exploration area, and in respect of a mineral or group of mineral to which the exploration license relates, the exploration license shall not expire in relation to that area of land and that mineral or group of minerals until the application is refused or withdrawn or lapses, whichever is earlier, or if the application is granted, until the mineral deposit retention license or, as the case may be the mining lease, applied for is issued.

23. Effect of issue of mining lease or mineral deposit retention license on exploration area.- (1) Where a mining lease is issued to the holder of an exploration license in respect of an area of land in, or which constituted, the exploration area and in respect of a mineral or group of minerals to which the exploration licenses related the exploration license shall cease to have effect in relation to that area of land as from the date on which the mining lease is issued.

(2) Where a mineral deposit retention license is issued to the holder of an exploration license in respect of an area of land in, or which constituted, the exploration area in respect of a mineral or group of minerals to which the exploration license relates the exploration license shall cease to have effect in relation to that area of land on the date on which the mineral deposit retention license is issued.

24. Application for exploration license.- (1) An application for an exploration license shall.-

- (a) in the case of an individual, give such information as is referred to in rule 16(1) a(i);
- (b) in the case of a company, give such information as is referred to in rule 16(1) a(ii);

- (c) be accompanied by a plan such as is referred to in rule 16(1)(d);
 - (d) furnish a comprehensive geological description of the area of land over which the license is sought, identify the potential for, or the nature of, mineralization contained therein and identify any mineral or group of minerals in respect of which the license is sought.
 - (e) Contain particulars of.-
 - (i) The programme of exploration operations proposed to be carried on, the estimated expenditure in respect thereof and the period within which the operations shall be carried on;
 - (ii) The anticipated effect which the proposed exploration operations may have on the environment and measures to be taken to prevent or minimize any adverse effects thereon;
 - (f) Furnish particulars such as are referred to in rule 16(1)(f);
 - (g) State the period, not exceeding three years, for which the license is required;
 - (h) Be accompanied by such documents as the Licensing Authority may require in relation to any matter referred to in this rule; and
 - (i) Be made in respect of an area of land not exceeding 500 Square Kilometers.
- (2) The application may contain any other matter which in the opinion of the applicant is relevant to the application.

25. Exercise of power to grant or refuse application for exploration license.- (1) Subject to these rules, where an application for an exploration license.-

- (a) is made by the holder of a reconnaissance license and the application.-
 - (i) relates to an area of land which constitutes the reconnaissance area; and
 - (ii) is in respect of any mineral or group of minerals in relation to which the holder of the reconnaissance license has, under rule 14(3), the exclusive right to carry on reconnaissance operations in that area of land, the Licensing Authority shall grant the application;
 - (b) is made by any other person, the Licensing Authority may grant or refuse the application.
- (2) The Licensing Authority shall not grant an application for an exploration license to any person relation to any area of land in respect of any mineral or group of minerals if, at the time the application is made.-
- (a) the area of land is in or constitutes a mining area or an area of land subject to a mining lease dealing with small scale mining;
 - (b) any mineral deposit retention license is held by any person in relation to the area of land, unless the Licensing Authority deems it desirable in the interests of the development of the mineral resources of Punjab to grant the application and, if the mineral deposit retention license is in respect of the mineral or group of minerals to which the application relates, the holder of mineral deposit retention license agrees to the application being granted; or
 - (c) any reconnaissance license or exploration license conferring an exclusive right to carry on reconnaissance operations or, as the case may be, exploration operations, in the area of land in respect of the mineral or group of minerals to which the application relates, is held by any other person unless.-
 - (i) that other person agrees to the application being granted; and

- (ii) the Licensing Authority deems it desirable in the interest of the development of the mineral resources of Punjab to grant the application.
- (3) An application for an exploration license shall not be granted to an applicant.-
 - (a) if the applicant is, at the time of the application, in default unless the Licensing Authority is of opinion that the default is not substantial and that special circumstances exist which justify the grant of the application notwithstanding the default, and
 - (b) unless the Licensing Authority is, on reasonable grounds, satisfied.-
 - (i) with the proposed programme of exploration operations to be carried on and the proposed expenditure to be incurred on exploration operations; and
 - (ii) that the person concerned has the technical and financial resources to carry on the exploration operations.
- (4) An application for an exploration license shall not be granted in respect of an area of land exceeding 500 square kilometers.

26. Issue of exploration license.- The provisions of rule 18 shall apply mutatis mutandis in relation to the issue of an exploration license as they apply in relation to the issue of a reconnaissance license.

Rule 27(7) amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

27. Application for renewal of exploration license.- (1) Subject to this rule, the provisions of rules 24 and 25 shall apply mutatis mutandis in relation to an application for the renewal of an exploration license as they apply in relation to an application for the grant of an exploration license.

- (2) An application for the renewal of an exploration license shall.-
 - (a) be made not later than ninety days before the expiry date of the license or such later date but not later than such expiry date, as the Licensing Authority may allow;
 - (b) not be made.-
 - (i) in the case of an application for a first renewal of the license, in respect of an area of land greater in extent than fifty per centum of the exploration area at the date of the issue of the exploration license;
 - (ii) in the case of an application for a second renewal, in respect of an area of land greater in extent than fifty per centum of the exploration area immediately prior to the date of the application for the second renewal, or such other proportion of the exploration area as the Licensing Authority may, for good technical or other reason, grant; or
 - (ii) in the case of a second renewal unless it is shown by the holder of the exploration license that a further renewal is necessary for the completion of a full feasibility study of the discovered deposits and that the proposed activities were not reasonably completed during the first renewal;
 - (c) be accompanied by a report in duplicate containing the particulars contemplated in rule 31(1)(d) prepared in respect of the immediately preceding period of the currency of the exploration license;
 - (d) describe and identify the part of the exploration area to be retained and the part to be relinquished;
 - (e) be accompanied by the proposed work programme and expenditures for the period of the renewal; and

- (f) in the case of a second renewal, shall give the reason, supported by documentary proof, for requesting the renewal.
- (3) The application may be made on not more than two occasions, and
- (4) Subject to the provisions of sub-rules (5) and (6), the Licensing Authority shall not grant an application for the renewal of an exploration license.-
- (a) If the minimum exploration operations and expenditures proposed to be carried out or expended in the renewal period in respect of the area of land to which the application relates, is not satisfactory; or
- (b) If the applicant is, at the time of the application, in default unless the Licensing Authority is of the opinion that the default is not substantial and that special circumstances exist which justify the grant of the application notwithstanding the default.
- (5) The Licensing Authority shall not refuse under sub-rule (4)(a) to grant the application in question if the proposals in respect of exploration operations and expenditures are in accordance with the terms and conditions of a mineral title or mineral agreement relating to proposals of that kind in respect of the exploration license in question.
- (6) The Licensing Authority shall not refuse under sub-rule (4)(b) to grant the application in question, unless the Licensing Authority has informed the holder of the license in writing of its intention to refuse the application:
- (a) setting out particulars of the alleged default, and
- (b) requiring the holder to make representations to the Licensing Authority in relation to the alleged default or to remedy that default on or before a date specified in the notice, and the holder has failed to remedy that default or make representations which, in the opinion of the Licensing Authority removes the ground for the intended refusal.
- (7) The Licensing Authority shall not grant second renewal of an exploration license unless the applicant has shown that the renewal sought is necessary for the completion of feasibility studies and could not have been reasonably completed during the first renewal.

Original Rule 27(7)

27(7) The Licensing Authority shall not grant an application for a second renewal of an exploration license unless the applicant has shown that the renewal sought is necessary for the completion of feasibility studies and could not have been reasonably completed during the first renewal.
--

28. Application for amendment of exploration license.- (1) Subject to sub-rule (2), the holder of an exploration license may apply for the amendment of the license.

- (a) by the extension or reduction, or both, of the exploration area to which the license relates; or
- (b) by the addition of any mineral or group of minerals, discovered in the exploration area, to which the license does not relate subject to the condition that the Licensing Authority may grant or refuse such applications for reasons to be recorded in writing.

(2) The provisions of rules 24 and 25 shall apply mutatis mutandis in relation to an application referred to in sub-rule (1) as these apply in relation to an application for the grant of an exploration license.

(3) If an application under sub-rule (1) is granted by the Licensing Authority, it shall amend the exploration license concerned accordingly.

29. Obligations of holder of exploration license.- (1) It shall be a condition of an exploration license that the holder of the license shall.-

- (a) commence operations within three months of the issue of the license, and carry on exploration operations in the exploration area in accordance with good exploration practices;
- (b) take all reasonable steps necessary to secure the safety, welfare and health of persons employed for purposes of those operations in the exploration area and to protect the environment;
- (c) maintain in good condition and repair all structures, equipment and other goods in the exploration area and used in connection with the exploration operations;
- (d) remove from the exploration area all structures, equipment and other goods not used or intended to be used in connection with the exploration operations;
- (e) take reasonable steps to warn persons who may from time to time be in the vicinity of any such structures, equipment or other goods of the possible hazards resulting there from;
- (f) give to the Licensing Authority notice of the discovery of a deposit of any mineral or group of minerals to which the holder's license relates within ten days after the holder determines that the deposit is of potential commercial interest;
- (g) give to the Licensing Authority notice of the discovery of a deposit of any mineral or group of minerals including radioactive minerals necessary for the generation of nuclear energy, mineral oil and natural gas, other than a mineral or group of minerals to which his license relates, within ten days after making the discovery.

(2) Any holder of an exploration license who contravenes or fails to comply with the provisions of sub-rules (1) shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be withdrawn.

30. Work programme of exploration operations.- The provisions of rule 19 shall apply mutatis mutandis in relation to the holder of an exploration license, as they apply in relation to the holder of a reconnaissance license, and for that purpose any reference in that rule to reconnaissance license or reconnaissance operations shall be deemed to be a reference to exploration license or, as the case may be, exploration operations.

31. Records, etc., to be kept, etc. by holder of exploration license.- (1) The holder of an exploration license shall-

- (a) kept at an address in Punjab a proper record in such form as may be determined in writing by the Licensing Authority in relation to.-
 - (i) the location and results of all photo-geological studies, imaging, geological mapping, geochemical sampling, geophysical surveying, drilling, pitting and trenching, sampling and bulk sampling and other activities undertaken by the holder in the course of the exploration operations carried on by the holder, in, or in connection with, the exploration area to which the exploration license relates;
 - (ii) the results of all analytical, metallurgical and mineralogical work incidental to such exploration operations;
 - (iii) the interpretation and assessment of the studies, surveys and work referred to in sub-paragraphs (1) and (ii);
 - (iv) the persons employed by the holder for purpose of such exploration operations, including the names, address, nationality and ages of such persons;

- (v) the nature, mass or volume and value of any mineral or group of minerals sold or otherwise disposed of and the full name and address of any person to whom such mineral or group of minerals was sold or otherwise disposed of;
 - (vi) the expenditures incurred by the holder in the course of such exploration operations, and
 - (vii) such other information as may be determined in writing by the Licensing Authority and specified by notice in writing given to such holder;
- (b) prepare or cause to be prepared and maintained at all times plans and maps in respect of exploration area;
- (c) prepare in respect of the period of the currency of the exploration license a statement of income and expenditure derived or incurred in connection with the explorations in the exploration area and such other financial statement as the Licensing Authority may require in such form as the Licensing Authority may determine;
- (d) submit within 30 days after the end of each quarter during the currency of such exploration license to the Licensing Authority in such form as may be determined in writing by the authority a return or returns containing in relation to such quarter—
- (i) a summary of the particulars and information contained in the record referred to in paragraphs (a) and (c) as may be required by the Licensing Authority and indicated in such form or requested by the authority by notice in writing given to the holder; and
 - (ii) such other particulars as the Licensing Authority may require in relation to the exploration operations carried on by the holder; and
- (e) submit, within 60 days after the end of the currency of such exploration license and of each period during which such exploration license has been renewed in respect of the whole of the exploration area, or together with an application for the renewal of such exploration licenses or an application for a mineral deposit retention license or mining lease in respect of the whole or any portion of the exploration area, to the Licensing Authority, in such form as may be determined in writing by the Licensing Authority, a report in duplicate or, in the case where an application is made for a mineral deposit retention license or mining lease in respect of a portion of the exploration area, separate reports in duplicate in respect of such area and the remainder of such exploration area in relation to such period.-
- (i) an estimate of the mineral reserved in the exploration area properly illustrated by way of plans and maps according to an appropriate scale;
 - (ii) the nature, mass or volume and value of any mineral or group of minerals sold or otherwise disposed of and the full name and address of any person to whom such mineral or group of minerals has been sold or otherwise disposed of;
 - (iii) an evaluation of the prospects of the discovery of any mineral or group of minerals in the exploration area; and
 - (iv) such other particulars as the Licensing Authority may require in relation to the exploration operations carried on by such holder.
- (2) In the event of the cancellation or surrender of an exploration license under rule 57 or rule 58 or the expiration of an exploration license, the person who was the holder of such license immediately before such cancellation or surrender or expiration

shall, on a date not later than one month after the date of such cancellation, surrender or expiration deliver, to the Licensing Authority.-

- a) all records kept in terms of the provisions of sub-rule (1)(a);
- b) all maps and plans referred to in sub-rule (1)(b);
- c) all reports, photographs, tabulations, tapes and discs prepared by or on behalf of such person in the course of such exploration operation; and
- d) such other books, documents, records and reports as the Licensing Authority may require by notice in writing or copies of such records, maps, plans, reports, photographs, tabulations, tapes, discs, books and documents, unless a mineral deposit retention license or a mining lease is issued to such person in relation to the area to which such exploration license related, with effect from the date following the date of such cancellation, surrender or exploration or such later date as the Licensing Authority may, on good cause shown, allow.

(3) Any person referred to in sub-rule (1) or (2) who contravenes or fails to comply with the provisions of that sub-rule shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be with-drawn.

IV – MINERAL DEPOSIT RETENTION LICENSE.

32. Rights of holder of mineral deposit retention license.- (1) Subject to these rules and the conditions of the license, a mineral deposit retention license shall authorize the holder of the license.-

- a) to retain the retention area in question for future mining operations subject to the provisions of rule-34;
- b) to carry out a programme of operations such as is referred to in rule 42;
- c) with the permission of the Licensing Authority previously obtained whether generally or in every particular case.-
 - (i) to remove from the retention area any mineral or group of minerals or sample thereof, for the purposes of testing, assaying or pilot plant studies, from any place where it was found or incidentally won in the course of carrying out such programme of operations to any other place whether within or outside Punjab or, subject to such other permission as may be required under other law, outside Pakistan; and
 - (ii) to sell or otherwise dispose of limited amounts of any mineral or group of minerals or material excavated during operations so carried out; and
- (d) subject to sub-rule (2), to do all other things, including the carrying out of investigations and operations, and the erection or construction of ancillary works, in the retention area, as may be reasonably necessary for, or in connection with, any operation as contemplated in paragraph (b).

(2) The provisions of rule 14(2) shall apply mutatis mutandis in relation to the holder of a mineral deposit retention license wishing to erect or construct accessory works under sub-rule (1) as they apply in relation to the holder of a reconnaissance license wishing to do so under rule 14.

33. Persons who may apply for mineral deposit retention license.- No person shall apply for the grant of a mineral deposit retention license unless.-

- a) he is the holder of an exploration license in relation to the area of land and the mineral or group of minerals to which the application relates;

- b) a potentially economic discovery of mineral deposit has been made in the exploration area;
- c) the applicant has completed a full feasibility study to determine whether the mineral discovered can be developed and produced on a profitable basis;
- d) the applicant wishes to retain the exploration area or a part thereof for future development of the mineral deposit discovered as development could not then be reasonably undertaken on a profitable basis for good economic or technical reasons; and
- e) exploration operations and relevant studies have been undertaken to the maximum extent feasible in the circumstances.

Rule 34(1)(a) amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003

34. Duration of mineral deposit retention license.- (1) Subject to these rules, a mineral deposit retention license shall be valid.-

- (a) for such period, not exceeding two years, as may be specified in the license; and

Original Clause 34(1)(a)

or such period, not exceeding two years, as may be specified in the license; and

- (b) for such further period, not exceeding one year, as may be determined by the Licensing Authority at the time of the granting of any application for the renewal of the license.

(2) Notwithstanding the provisions of sub-rule (1) but subject to the other provisions of these rules.-

- (a) a mineral deposit retention license shall not expire during the period an application for renewal of the license is being considered, until the application is refused or withdrawn or lapses, whichever is earlier or if the application is granted, until such time as the license is renewed in consequence of the application; or

- (b) where an application is made by the holder of a mineral deposit retention license for the grant of a mining lease in relation to an area of land in or which constitutes the retention area, and in respect of any mineral or group of minerals to which the license relates, the license shall not expire in relation to that area of land and that mineral or groups of minerals until the application is refused or withdrawn or lapses, whichever first occurs, or if the application is granted, until such time as the mining lease applied for is issued.

(3) Where a mining lease is issued to the holder of a mineral deposit retention license in respect of an area of land which forms part of the retention area and in respect of any mineral or group of minerals to which the mineral deposit retention license relates.-

- (a) that mineral deposit retention license shall cease to have effect in relation to the area of land as from the date of the issue of the mining lease; and
- (b) any other mineral deposit retention license for the same mineral shall so cease to have effect unless the Licensing Authority has, with the concurrence of the holder to whom the mining lease is issued, determined otherwise on such conditions as may be specified in writing by the Licensing Authority.

35. Application for mineral deposit retention license.- (1) An application for a mineral deposit retention license shall.-

- (a) in the case of a individual, give such information as is referred to in rule 16(1)(a)(i);

- (b) in the case of a company, give such information as is referred to in rule 16(1)(a)(ii);
- (c) be accompanied by a description and plan such as is referred to in rule 16(1)(d) of the area of land, not greater than the exploration area concerned, over which the license is sought;
- (d) identify the mineral or group of minerals to which the application relates and furnish full details of the proven, estimated or inferred mineral reserves contained therein, and of the mining conditions pertaining thereto;
- (e) contain particulars of.-
 - (i) the proposals for the carrying out of work in the exploration area and expenditures during the period of the retention license in respect of which the application is made and if no further work in or in relation to the exploration area could be usefully carried out the reasons therefore;
 - (ii) the state of the environment in the area to which the application relates, the likely adverse impact the operations to be carried on may have on the environment and the measures to be taken to prevent or mitigate such impact;
- (f) furnish particulars such as are referred to in rule 16(1)(f);
- (g) furnish particulars of the exploration license held by the applicant;
- (h) give reasons in support of the claim that the mineral deposit discovered in the area of land to which the application relates could not then be mined on a profitable basis; and a forecast of the circumstances in which, and the earliest date on which, the mineral or group of minerals discovered might be so mined;
 - (i) state the period for which the license is required;
 - (ii) be accompanied by relevant data, studies, analyses, documents and such other information as the Licensing Authority may require in relation to the application;

(2) An application for a mineral deposit license may contain any other matter which in the opinion of the applicant is relevant to the application.

(3) An application for a mineral deposit retention license shall be made not later than one hundred and eighty days before the expiry of the exploration license or any renewal thereof, or such later date, but not later than such expiry date, as the Licensing Authority may allow.

36. Exercise of power to grant or refuse application for mineral deposit retention license.- (1) The Licensing Authority shall not grant an application for a mineral deposit retention license to a person who is, under rule 33, entitled to apply for such license.-

- (a) in respect of an area larger than an area which in the opinion of the Licensing Authority is required, having regard to the minerals or groups of minerals discovered in the area to which the application relates, to carry on the mining operation;
- (b) if the applicant is at the time of the application in default, unless, the Licensing Authority is of the opinion that the default is not substantial and that special circumstances exist which justify the grant of the application;
- (c) in relation to any mineral or group of minerals, unless the Licensing Authority is on reasonable grounds satisfied-
 - i) that the deposit of the mineral or group of minerals in the area to which the application relates cannot, for the reasons set out in the application, be mined on a profitable basis at the time and can probably be mined on the expiration of the period contemplated in rule 34;

- ii) that no further work can be usefully carried on in the exploration area which may have the effect of negating the reasons so given; and
- iii) that it is desirable, having regard to the future utilization of the mineral resources of Punjab to grant such license;
- (d) in relation to the area of land to which such application relates in respect of any mineral or group of minerals, if at the time of such application.-
 - i) such area of land forms part of any exploration area in relation to any mineral or group of minerals, other than the mineral group of minerals to which the application relates, unless.-
 - (aa) the applicant has given a notice in writing, not later than on the date on which such application is made, to the holder of the exploration license in respect of that exploration area, of his application or intended application, as the case may be for such mineral deposit retention license;
 - (bb) the Licensing Authority has afforded the holder referred to in paragraph (aa) a reasonable opportunity to make representation in relation to such application;
 - (cc) the Licensing Authority, with due regard to any representation made in terms of paragraph (bb), deems it desirable to grant such license having regard to the future utilization of the mineral resources of Punjab, or
 - ii) such area of land forms part of any retention area in relation to any mineral or group of minerals, other than the mineral or group of minerals to which the application relates, unless.-
 - (dd) the Licensing Authority deems it desirable, having regard to the future utilization of the mineral resources of Punjab to grant such license;
 - (ee) the Licensing Authority is on reasonable grounds satisfied that the programme of operations referred to in paragraph (1)(b) of rule 32 and any other investigations and operations referred to in paragraph (1)(d) of that rule to be carried on by virtue of such license, if issued, will not detrimentally affect the rights of any holder of the mineral deposit retention license in respect of any such area; and
 - (ff) the holder of the mineral deposit retention license has consented to the application for the grant of the mineral deposit retention license.
- 2) The Licensing Authority shall not refuse to grant an application for a mineral deposit retention license on any ground contemplated in sub-rule (1)(b), unless the Licensing Authority-
 - a) has by notice in writing informed such holder of its intention to refuse such application.
 - i) setting out particulars of the grounds for that intention, and
 - ii) requiring such holder to make representation to the Licensing Authority in relation to such grounds or to remedy any matter relating to such grounds specified in such notice, and such holder has failed to remedy such matter or to make representations; and
 - b) has taken into consideration any representation made by such person.

37. Issue of mineral deposit retention license.- The provisions of rule 18 shall apply mutatis mutandis in relation to the issue of a mineral deposit retention license as they apply in relation to the issue of a reconnaissance license.

38. Conditions.- It shall be a condition of every mineral deposit retention license that the department may disclose information with respect to the retention area to a person if the department is satisfied that the person with bonafide intention seeks the information for the purpose of investigating the possibility of carrying on mining operations in the retention area.

39. Application for renewal of mineral deposit retention license.- (1) Subject to sub-rule (2), the provisions of rules 35 and 36 shall apply mutatis mutandis in relation to an application for the renewal of a mineral deposit retention license as they apply in relation to an application for the grant of a mineral deposit retention license.

(2) An application for the renewal of a mineral deposit retention license shall be made not later than ninety days before the date on which the license expires if not renewed or such later date, but not later than such expiry date, as the Licensing Authority may, on good cause shown, allow.

(3) Subject to the provisions of sub-rule (4), the Licensing Authority shall refuse an application for the renewal of a mineral deposit retention license if the applicant is, at the time of the application, in default unless the Licensing Authority is of the opinion that the default is not substantial and that special circumstances exist which justify the grant of the application notwithstanding the default.

(4) The Licensing Authority shall not refuse, under sub-rule (3), to grant the application in question, unless the authority has, by notice in writing informed the holder of the license of its intention to refuse the application.-

- a) setting out particulars of the alleged default, and
- b) requiring the holder to make representation to the Licensing Authority in relation to the alleged default or to remedy that default on or before a date specified in the notice,

and the holder has failed to remedy that default or make representation, which, in the opinion of the Licensing Authority, is a ground for the intended refusal.

40. Application for amendment of mineral deposit retention license.- (1) Subject to sub-rule (2), the holder of a mineral deposit retention license may apply for the amendment of the license.

- a) by the reduction of the retention area to which the license relates; or
- b) by the addition of any mineral or group of minerals discovered in the retention area, to which the license does not relate.

(2) The provisions of rules 37 and 38 shall apply mutates mutandis in relation to an application under sub-rule (1) as they apply in relation to an application for the grant of a mineral deposit retention license.

(3) If an application under sub-rule (1) is granted by the Licensing Authority, it shall amend the mineral deposit retention license accordingly.

41. Obligations of holder of mineral deposit retention license.- The provisions of rule 29 (1) shall apply mutatis mutandis in relation to a mineral deposit retention license as they apply in relation to an exploration license, and for that purpose, the reference to the holder of an exploration license shall be deemed to be a reference to the holder of a mineral deposit retention license.

42. Work programme under mineral deposit retention license.-The holder of a mineral deposit retention license shall carry out any programme of operations, including evaluation, from time to time, of the mineral deposit concerned, as may be specified in the license or directed to be performed by the Licensing Authority, as a condition of any renewal of the license.

43. Direction to apply for mining lease.- (1) Where –

- (a) during the term of a mineral deposit retention license-
 - (i) proposals are made to the Licensing Authority, in writing, by a person, other than the holder of the license, to mine in the retention

area, under a mining lease granted to the person, the mineral or group of minerals to which the mineral deposit retention license relates; and

- (ii) the Licensing Authority is satisfied that the proposals.-
 - (aa) would be likely to ensure the efficient, beneficial and timely use of that mineral or group of minerals; and
 - (bb) are made in good faith by a person who has the technical and financial ability and experience to carry out the proposal and is otherwise qualified to hold a mining lease;

or

- (b) during the term of a mineral deposit retention license, the Licensing Authority has good reason to believe-
 - (i) that a mineral or group of minerals to which the mineral deposit retention license relates may be mined, sold or otherwise disposed of on a profitable basis; or
 - (ii) that further work may indicate the existence of any such mineral or group of minerals which may be mined, sold or otherwise disposed of on a profitable basis,

the Licensing Authority, if it wishes to proceed with the development of the deposit, shall, before doing so, afford the holder of the mineral deposit retention license, in accordance with sub-rule (2), an opportunity to apply for a mining lease,

(2) In the circumstances referred to in sub-rule (1), the Licensing Authority shall, by notice in writing, given to the holder of the mineral deposit retention license-

- (a) in the case referred to in sub-rule (1) (a).-
 - (i) inform the holder that it has received proposals of the kind referred to in that sub-rule giving the name of the person making the proposals; and
 - (ii) direct the holder to apply, within such reasonable period as is specified in the notice, for a mining lease over land in, or which constitutes, the retention area, in respect of the mineral or group of minerals to which the mineral deposits retention license is applied or;
- (b) the case referred to in sub-rule (1) (b) direct the holder-
 - (i) to apply for a mining lease within such reasonable period as may be specified in the notice;
 - (ii) to carry on mining operations in respect of the mineral or group of minerals;
 - (iii) to carry on such further exploration operations as may be specified in the notice in relaxation to the retention area within such reasonable period as may be specified in the notice; or
 - (iv) to surrender, if the holder so wishes, the retention area in accordance with these rules.

(3) Where, in the case referred to in sub-rule (1) (a), before the expiration of the period so specified, the holder of the mineral deposit retention license-

- (a) fails to apply for the mining lease as directed; or
- (b) notifies the Licensing Authority in writing that no such application shall be made, the mineral deposit retention license shall be deemed to have been cancelled on the expiration of that period or, as the case may be, when the Licensing Authority is so notified, and rule 57 (8) shall have effect accordingly.

(4) Where, as provided in sub-rule (3), a mineral deposit retention license is deemed to have been cancelled, the Licensing Authority shall, by notice in writing given to the person who made the proposals referred to in sub-rule (1).

- (a) inform the person accordingly; and
- (b) invite the person to apply under these rules, within the period specified in the notice, for a mining lease to give effect to those proposals.

(5) Any holder of a mineral deposit retention license who contravenes or fails to comply with a direction given to the holder under sub-rule (2) (b) shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be withdrawn.

44. Records, etc., to be kept, etc., by holder of mineral deposit retention license.-

(1) The holder of mineral deposit retention license shall -

- (a) keep at an address in Punjab a proper record in such form as may be determined in writing by the Licensing Authority in relation to-
 - (i) the investigations and operations, including the erection or construction of ancillary works, in such retention area as may be reasonably necessary, carried on by the holder for, or in connection with, future mining operations contemplated in rule 32;
 - (ii) the location and results of all photo geological studies, imaging, geological mapping, geochemical sampling, geophysical surveying, drilling, pitting and trenching, sampling and bulk sampling and all other activities undertaken by the holder in the course of the exploration operations carried on by the holder, or in connection with the retention area to which the mineral deposit retention license relates;
 - (iii) the results of all analytical metallurgical and mineralogical work incidental to such exploration operations;
 - (iv) the interpretation of land assessment of the studies, surveys and works referred to in sub-paragraphs (ii) and (iii);
 - (v) the persons employed by the holder for purposes of such investigations and operations, including the names, addresses, nationality and ages of such persons;
 - (vi) the expenditures incurred by the holder in the course of such exploration operations; and
 - (vii) such other information as maybe determined by the Licensing Authority and specified by notice in writing addressed and delivered to such holder.
- (b) prepare or cause to be prepared and maintained at all times plans and maps in respect of the retention area,
- (c) submit within 60 days after the end of the currency of such mineral deposit retention license in respect of the whole of the retention area, or together with an application for the renewal of such mineral deposit retention license or an application for a mining lease in respect of the whole or any portion of the retention area, to the Licensing Authority in such form as may be determined in writing by the Licensing Authority, a report in duplicate or, in the case where an application is made for a mining lease in respect of a portion of the retention area, separate reports in duplicate in respect of such portion and the remainder of such retention area, setting out in relation to such period-

- (i) an evaluation of the prospects of future mining operations in such retention area;
 - (ii) all information, including photographs, tabulations, tapes and discs, in the record referred to in paragraph (a) and the plans and maps referred to in paragraph (b); and
 - (iii) such other particulars as the Licensing Authority may require in relation' to the operation carried on by such holder; and
- d) submit to the Licensing Authority such other reports, records and other information as the authority may from time to time require in connection with the carrying on or investigations and operations in the retention area in question.
- (2) In the event of the cancellation of a mineral deposit retention license under rule 57 or the surrender or expiry of a mineral deposit retention license the person who was the holder of such license immediately before the cancellation, surrender or expiration shall, on a date not later than 180 days after the date of the cancellation or surrender or expiry, deliver to the Licensing Authority-
- (a) all records kept in terms of the provisions or sub-rule (1) (a); and
 - (b) such other books, documents records and reports as the Licensing Authority may require by notice in writing or copies of such records, books, documents and reports, unless a mining license is issued to such person in relation to the area to which such mineral deposits retention license relate with effect from the date following on the date of such cancellation, surrender or expiry or such later date as the Licensing Authority may, on good cause shown, allow.
- (3) Any person referred to in sub-rule (1) or (2) who contravenes or fails to comply with the provisions of that sub-rule shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority' failing which the mineral title may be with-drawn.

V -MINING LEASE

45. Rights of holder of mining lease.- (1) Subject to these rules and the conditions of the lease, a mining lease shall confer on the holder of the lease-

- (a) the exclusive right to carryon mining operations in the mining area in question in respect of any mineral or group of minerals to which the lease relates;
- (b) the right to enter and occupy the land which comprises the mining area for the purpose of carrying on mining operations and exploration operations referred to in paragraphs (a) and (b);
- (c) the right to carry on in the mining area, in conjunction with mining operations such as are referred in paragraph (a), exploration operations in relation to any such mineral or group of minerals;
- (d) the right to remove from the mining area any mineral or group of minerals, from any place where it was found or mined in the course of mining operations such as are referred in paragraph (a) or found or incidentally won in the course of exploration operations referred in paragraph (b), to any other place within or outside Punjab or, subject to such other permission as may be required under any relevant law, to any place outside Pakistan;

- (e) the right to take and divert water on or flowing through such land and use it for any purpose necessary for mining operations subject to, and in accordance with, the provisions of the relevant law;
- (f) the right to sell or otherwise dispose of any such mineral or group of minerals subject to any condition of the mining lease or mineral agreement relating to the satisfaction of the internal requirement of Pakistan; and;
- (g) the right, subject to sub-rule(2), to do all other things and carry on such other operations, including the erection or construction of ancillary works, as may be reasonably necessary for, or in connection with, the mining or exploration operations, removal, selling or disposal contemplated in paragraphs (a), (b), (c), or (e).

(2) The provision of rule 14(2) shall apply mutatis mutandis to the holder of a mining lease who wishes to erect or construct ancillary works under sub-rule(1) as they apply in relation to the holder of a reconnaissance license wishing to do so under rule 14.

46. Duration of mining lease.- (1) Subject to these rules, a mining lease shall be valid -

- (a) for such period, not exceeding thirty years or the period representing the life of the mine, (as determined by the Licensing Authority whichever is lesser, as may be specified in the lease; and
- (b) subject to sub-rule (2), for such period as may be determined by the Licensing Authority in relation to any renewal of the lease, as from the date on which the lease would have expired if an application for its renewal had not been made or on the date on which the application for renewal is granted, whichever is later.

(2) A mining lease may be renewed for a period not exceeding ten years, or for the period representing the estimated life of the mine by the Licensing Authority, as determined on the basis of available data, whichever is the lesser period as from the date of which the application for renewal is received by the Licensing Authority.

(3) Notwithstanding the provisions of sub-rule(1), but subject to the other provisions of these rules, where an application is made for the renewal of a mining lease, the lease shall not expire during the period the application is being considered unless the application is refused or withdrawn or lapses, whichever is earlier, or if the application is granted, until such time as the lease is renewed in consequence of the application.

47. Application for mining lease.- (1) An application for the grant of a mining lease may be made only by a body corporate formed by or under a law for the time being in force in Pakistan.

- (2) An application for the grant of a mining lease shall-
 - (a) give such information as is referred to in rule 16(1)(a)(ii);
 - (b) be accompanied by a description and plan such as is referred to in rule 16(1)(d);
 - (c) be made in respect of an area of land not exceeding 250 square kilometers;
 - (d) furnish particulars such as are referred to in rule 16(1)(f);
 - (e) be accompanied by a technological report on mining and treatment possibilities and the intention of the applicant in relation thereto;
 - (f) be accompanied by the relevant feasibility studies, detailed plans for development and operation of the mine and the programme of proposed mining operations, including a forecast of-
 - (i) the date by which the applicant intends to work for profit;
 - (ii) the capacity of production and scale of operations;
 - (iii) the anticipated overall recovery of ore and mineral products; and

- (iv) the nature of the products;
 - (g) be accompanied by an environmental impact assessment in terms of the Environmental Protection Act 1997 and shall identify the extent of any adverse effect which the plan for development and operation of the mine and the carrying out of the programme of proposed mining operations would be likely to have on the environment and on any monument or relic in the area over which the lease is required and proposals for eliminating or controlling that effect;
 - (h) present proposals for the prevention of pollution, the treatment and disposal of wastes, the safeguarding, reclamation and rehabilitation of land disturbed by mining operations, the protection of rivers and other sources of water and for monitoring and managing of any adverse effect of mining operations on the environment;
 - (i) identify any particular risks (whether to health or otherwise) involved in mining the mineral or group of minerals which it is proposed to mine, and proposals for their control or elimination;
 - (j) give or be accompanied by a statement giving a detailed forecast of capital investment, operating costs and revenues and the anticipated type and source and extent of financing;
 - (k) be accompanied by a statement giving particulars of expected infrastructure requirements;
 - (l) state the period for which the lease is required; and
 - (m) be accompanied by such other documents and information as the Licensing Authority may require in relation to the application;
- (3) An application for the grant of a mining lease may contain any other matter which in the opinion of the applicant is relevant to the application.

48. Exercise of power for grant or refuse application for mining lease.- (1) Subject to these rules, where an application for the grant of a mining lease is made by the holder of an exploration license or a mineral deposit retention license, and the application.

- (a) relates to an area of land in, or which constitutes, the exploration area or, as the case may be, the retention area; and
 - (b) is in respect of any mineral or group of minerals-
 - (i) to which such exploration license relates;
 - (ii) to which such mineral deposit retention license relates,
- the Licensing Authority shall grant the application.

(2) Subject to these rules, where an application is made for the grant of a mining lease by any person other than a person such as is referred to in sub-rule(1), the Licensing Authority may grant or refuse the application.

(3) The Licensing Authority shall not grant an application for a mining lease in relation to any area of land in respect of any mineral or group of minerals if, at the time the application is made-

- (a) any exploration license conferring an exclusive right to carry on exploration operations in that area of land in respect of that mineral or group of minerals;
 - (b) any mining concession for small scale mining in relation to that area of land in respect of that mineral or group of minerals; or
 - (c) any mineral deposit retention license in relation to that area of land and in respect of that mineral or group of minerals,
- is held by any person other than the applicant or the mining lease, unless-
- (i) that other person agrees to the application being granted; and
 - (ii) the Licensing Authority deems it desirable in the interest of the

development of the mineral resources to grant the application.

(4) The Licensing Authority shall not grant an application for a mining lease in relation to any area of land in respect of any mineral or group of minerals if at the time the application is made, the period specified in an invitation, given under rule 43(4) to a person, other than the applicant, to apply for such a mining lease, has not expired.

(5) Notwithstanding the provisions of sub-rule(1), but subject to the provisions of sub-rule(5), an application for the grant of a mining lease shall not be granted—

(a) Unless-

- (i) the feasibility study shows that the mine can be profitably developed and operated;
- (ii) the proposed plans for development and operation of the mine and the programme of the mining operations of the applicant in question ensure the efficient, beneficial and timely use of the mineral resources in question, and
- (iii) the applicant in question has the technical and financial ability and experience to carry out effective mining operation; and
- (iv) the Director General, Mines & Minerals is satisfied in respect of environmental effect of the project and any condition or limitation prescribed by the Pakistan Environmental Protection Act, 1997 and rules and Regulations made there under;

(b) if the applicant in question is, at the time of the application, in default unless the Licensing Authority is of the opinion that the default is not substantial and that special circumstances exist which justify the grant of the application; or

(c) in the case of an application made in relation to any area of land and in respect of any mineral or group of minerals, to a person who does not hold an exploration license or a mineral deposit retention license in relation to that area of land, or in respect of that mineral or group of minerals, unless the Licensing Authority is of opinion that the mineral or group of minerals is present in the area of land in potentially commercial quantities.

(6) The Licensing Authority shall not, in the case of an application for a mining lease by the holder of a mineral title referred to in sub-rule (1), refuse to grant the application –

(a) in terms of sub-rule (5) (a), unless the Licensing Authority has, by notice in writing given to the applicant, its intention to so refuse the application and has-

- (i) informed the applicant of the reasons for its intention;
- (ii) afforded the applicant an opportunity to make, within such reasonable period as may be specified in the notice, representations in relation to all matters relating to its intention and, if the applicant so desires, to make proposals in relation to any such matters; and
- (iii) taken into consideration any such representation; and

(b) in terms of sub-rule (5) (b), unless the Licensing Authority has, by notice in writing given to the applicant, its intention to so refuse the application-

- (i) setting out particulars of the alleged default; and
- (ii) requiring the applicant to make representation to the Licensing Authority in relation to the alleged default or to remedy the default on or before a date specified in the notice,

and the applicant has failed to remedy the default or made such representation as in the opinion of the authority is the ground for the intended refusal.

(7) The Licensing Authority shall not refuse an application for a mining lease on the ground that any proposal in the application is inadequate or unsatisfactory unless the Licensing Authority has, by notice in writing informed the applicant accordingly and afforded the applicant a reasonable opportunity to modify the proposals concerned.

49. Issue of mining lease. The provisions of rule 18 shall apply mutatis mutandis in relation to the issue of a mining lease as they apply in relation to the issue of a reconnaissance license.

50. Application for renewal of mining lease.- (1) Subject to sub-rule (2), the provisions of rules 47 and 48 shall apply mutatis mutandis in relation to an application for the renewal of a mining lease as they apply in relation to an application for the grant of a mining lease.

(2) An application for the renewal of mining lease shall be made not later than six months before the date on which the lease expires, if not renewed or such later date but not later than such expiry date, as the Licensing Authority may, on good cause shown, allow.

(3) Subject to sub-rule (4), upon an application duly made for the renewal of a mining lease, the lease may be renewed as provided in rule 46 (2) with or without a variation of the conditions of the lease.

(4) The Licensing Authority shall not grant an application for the renewal of a mining lease if minerals in workable quantities have been mined.

51. Application for amendment of mining lease.- (1) Subject to sub-rule (2), the holder of a mining lease may apply for the amendment of the lease-

(a) by the extension or reduction, or both, of the mining area to which the lease relates; or

(b) by the addition of any mineral or group of minerals, discovered in the mining area, to which the lease does not relate.

(2) The provisions of rules 47 and 48 shall apply mutatis mutandis in relation to an application under sub-rule (1) as they apply in relation to an application for the grant of a mining lease.

(3) If an application under sub-rule (1) is granted by the Licensing Authority, it shall amend the mining lease accordingly.

52. Obligations of holder of mining lease..-(1) Subject to sub-rule (2), the provisions of rule 29 (1) shall apply mutatis mutandis in relation to a mining lease as they apply in relation to an exploration license, and for that purpose, the reference to the holder of an exploration license shall be deemed to be a reference to the holder of a mining lease.

(2) It shall be a condition of the mining lease that the holder shall commence mining operations within six months of the grant of the lease and shall carry on those operations in accordance with the approved plan for development and operation of the mine.

53. Notice of cessation of mining operations.- The holder of the mining lease shall-

(a) where he intends to temporarily cease mining operations, or to reduce the normal rate of production, give notice in writing of that intention to the Licensing Authority on a date not later than-

(i) in the case of such intended cessation of mining operations, thirty days; or

(ii) in the case of such intended reduction of production, seven days,

or such other period as the Licensing Authority may, on good cause shown, allow before such intended cessation or intended reduction;

(b) if, for any reason beyond his control at any time, temporarily ceases mining operations, or reduces the normal rate of production, notify the Licensing Authority of such temporary cessation or reduction as soon as possible after such cessation or reduction,

and provide reasons for such intention of cessation or reduction, as the case may be, and such particulars as the Licensing Authority may require in connection with the location, nature and extent of such mining operations.

54. Action by Licensing Authority.- On receipt of a notice referred to in rule 53, or if the Licensing Authority has otherwise reason to believe that the holder of any mining lease has ceased, whether permanently or temporarily, or reduced mining operations, the Licensing Authority may cause the matter to be investigated and-

- (a) give its approval on such conditions, as the Licensing Authority may determine, to the cessation or reduction; or
- (b) refuse its approval and give such directions to the holder as the authority deems appropriate.

55. Unit development.- (1) This rule applies where the Licensing Authority determines-

- (a) in the interest of the effective recovery of minerals from neighbouring or contiguous mining areas; or
- (b) in the national interest in order to secure the rational development and ultimate recovery of any mineral from neighbouring or contiguous mining areas;

that it is desirable that the holders of the mining leases in respect of those areas should co-ordinate their operations or develop their deposits as a unit.

(2) Subject to sub-rule (3), the Licensing Authority may, in writing, direct the holders of the mining leases to enter into an agreement, within the period specified in the direction, for or in relation to the co-ordination of their operations or the development of their deposits, giving in the notice the grounds for the direction, and to lodge the agreement with the Licensing Authority forthwith for approval.

(3) Before giving any direction under sub-rule (2) the Licensing Authority shall afford each holder of a mining lease a reasonable opportunity to make representation to the Licensing Authority in writing with regard to the proposed direction.

(4) Where-

- (a) an agreement is not lodged as required by sub-rule (2), or
- (b) an agreement so lodged is not satisfactory to the Licensing Authority.

the Licensing Authority may cause to be prepared, in accordance with good mining practices, a plan and afford each holder of the mining leases a reasonable opportunity to make representations to the Licensing Authority in writing with regard to the plan.

(5) The holder of each mining lease shall perform and observe the conditions of-

- (a) a plan which is satisfactory to the Licensing Authority, or
- (b) a plan, with or without modifications as a result of any representation made pursuant to sub-rule (4).

56. Records, etc. to be kept, etc. by the holder of mining lease.- (1) The holder of a mining lease shall-

- (a) keep at an address in Punjab a proper record in such form as may be determined in writing by the Licensing Authority in relation to-
 - (i) any mining operations referred to in rule 45 (1) (a)-
 - (aa) the nature, appraisal and results of all mining operations carried on in, or in connection with, the mining area to which such mining lease relates;
 - (bb) the nature and mass or volume of any mineral or group of minerals won or mined in such mining area and treated or stock piled in such mining area or elsewhere;

- (cc) the nature, mass or volume and value of any mineral or group of minerals so won or mined, sold or otherwise disposed of and the full names and addresses of any person to whom such mineral or group of minerals was sold or otherwise disposed of;
 - (dd) the nature and mass or volume of any waste removed from such mining area and the manner in which it was disposed of;
 - (ee) the persons employed by the holder for purposes of such mining operations, including the names, addresses, nationalities and ages of such persons;
 - (ff) the expenditures incurred by the holder in the course of such mining operations; and
 - (gg) such other information as may be determined by the Licensing Authority and specified by notice in writing, addressed and delivered to such holder;
- (ii) any exploration operation referred to in rule 45(1) (b):
- Rule 56(1)(a)(ii)(aa) amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.
- (aa) the nature, location and results or all photo geological studies, imaging, geological mapping, geo-chemical sampling, geophysical surveying, drilling, pining and trenching, sampling and bulk sampling, and all other activities undertaken by such holder in the course of such exploration operations;
- | |
|--|
| Original Clause 56(1)(a)(ii)(aa) |
| the nature, location and results or all photo geological studies, imaging, geological mapping, agrochemical sampling, geophysical surveying, drilling, pining and trenching, sampling and bulk sampling, and all other activities undertaken by such holder in the course of such exploration operations; |
- (bb) the results or all analytical, metallurgical and mineralogical work incidental to such exploration operations;
 - (cc) the interpretation and assessment of the studies, surveys and works referred to in (aa) and (bb);
 - (dd) the nature and mass or volume of any mineral or group of minerals found or incidentally won in the course of such exploration operations;
 - (ee) the persons employed by the holder for purposes or such exploration operations including the names, addresses, nationalities and ages of such persons;
 - (ff) the expenditures incurred by such holder in the course of such exploration operations; and
 - (gg) such other information as may be determined by the Licensing Authority and specified by notice in writing given to the holder;
- (b) prepare or cause to be prepared and maintained at all times plans and maps in respect of the mining area;
- (bb) prepare in respect of each quarter of the mining lease, a statement of income and expenditure derived or incurred in connection with the mining operations in the mining lease area and such other financial

statements as the Licensing Authority may require in such form as the authority may determine;

- (c) submit within 15 days after the end of each month and 30 days after the end of each quarter to the Licensing Authority, returns in relation to such month or quarter containing-
 - (i) summary of the particulars and information contained in the records referred to in paragraph (a) and (bb) as may be required by the Licensing Authority and indicated in such form or required by the Licensing Authority by notice in writing given to the holder; and
 - (ii) such other particulars as the Licensing Authority may require in relation to the mining operations and exploration operations carried on by the holder in such mining area;
- (d) submit within 60 days after 31st December of each year, to the Licensing Authority, in such form as may be determined in writing by the Licensing Authority, returns or reports in duplicate containing in relation to such year-
 - (i) a summary of the particulars and information contained in the records referred to in paragraph (a) (1) as may be required by the Licensing Authority and indicated in such form or required by the Licensing Authority by notice in writing given to the holder;
 - (ii) all information, including photographs, tabulations, tapes and discs, in the records referred to in paragraph (a) (ii) and the plans and maps referred to in paragraph (b);
 - (iii) the statement of income and expenditure and financial statements referred to in paragraph (bb);
 - (iv) an estimate of the remaining mineral reserves in such mining area properly instated by way of plans and maps according to an appropriate scale;
 - (v) particulars of any proposed mining operation and exploration operation during the succeeding year, together with a forecast of delineated mineral reserves; and
 - (vi) such other reports, records and information as the Licensing Authority may require in relation to the mining operations and exploration operations carried on by the holder in such mining area;

(2) In the event of the cancellation or surrender of a mining lease under rule 57 or the expiration of mining lease, the person who was the holder of such a lease immediately before such cancellation or surrender or expiration shall, on a date not later than 180 days after the date of such cancellation or surrender or expiration, deliver to the Licensing Authority-

- (a) all records kept in terms of the provisions of sub-rule(1) (a);
- (b) all maps and plans referred to in sub-rule (1) (b);
- (c) all reports, photographs, tabulations, tapes and discs prepared by or on behalf of such person in the course of such exploration operations; and
- (d) such other books, documents, records and reports as the Licensing Authority may require by notice in writing given to such person, or copies of such records, maps, plans, reports, photographs, tabulations, tapes, discs, books and documents.

(3) Any person referred to in sub-rules (1) or (2) who contravenes or fails to comply with the provisions of any such sub-rule shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition

to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be with-drawn.

VI - CANCELLATION AND SURRENDER OF MINERAL TITLES.

57. Cancellation of mineral titles. - (1) Subject to this rule and to rule 65, where the holder of a mineral title-

- (a) fails to use in good faith the land subject to the title for the purpose for which the title was granted;
- (b) uses that land for any purpose other than the purpose for which the title was granted;
- (c) fails to comply with any requirement of these rules with which the holder is bound to comply;
- (d) fails to comply with a condition of the title;
- (e) fails to comply with a direction lawfully given under these rules or with a condition on which any certificate of surrender is issued or on which any exemption or consent is given under these rules; or
- (f) fails to pay any amount payable by him under these rules within one month after the amount becomes due,

the Licensing Authority may, on that ground, by notice in writing, cancel the title.

(2) The Licensing Authority shall not, under sub-rule (1), cancel a title on a ground referred to in that sub-rule unless-

- (a) it has, by notice in writing served on the holder of the title, given not less than thirty days notice of its intention to so cancel the title on that ground;
- (b) it has, in the notice, specified a date before which holder of the title may, in writing, submit any matter which he wishes the Licensing Authority to consider; and
- (c) the Licensing Authority has taken into account-
 - (i) any action taken by the holder of the title to remove that ground or to prevent the recurrence of similar grounds; and
 - (ii) any matter submitted to the Licensing Authority by the holder of the title pursuant to paragraph (b).

(3) The Licensing Authority shall not, under sub-rule (1), cancel a title on the ground referred to in paragraph (f), if, before the date specified in the notice referred to in sub-rule (2), the holder of the title pays the amount of money concerned together with any penalty arising pursuant to rule 68 (2).

(4) The Licensing Authority may, by notice in writing served on the holder of a mineral deposit retention license, cancel the license if the holder fails to make application for a mining lease in accordance with a notice given to him under rule 43 (1).

(5) The Licensing Authority may, by notice in writing cancel the title-

- (a) if the holder (being an individual) is-
 - (i) adjudged bankrupt; or
 - (ii) enters into any agreement or scheme of composition with creditors or takes advantage of any law for the benefit of debtors;
- (b) if in the case of a holder that is a company, an order is made or a resolution is passed for winding up the affairs of the company, unless the winding up is for the purpose of amalgamation or reconstruction and the Licensing Authority has been given notice thereof; or
- (c) if the mineral title was obtained by fraud or misrepresentation.
- (6) Where an application has been made under rule 61 for the transmission of a mineral title or of rights or interests to or in a mineral title consequent on the death of

an individual who is the holder of the title, the Licensing Authority shall not cancel the title unless the authority has refused to grant the application.

(7) Where two or more persons are holding a mineral title the Licensing Authority shall not, under sub-rule (5), cancel the title on the occurrence, of an event entitling the Licensing Authority to so cancel the mineral title, unless the authority is satisfied that any other person or persons holding the mineral title are unwilling, or would be unable, to carry out the duties and obligations of the holder of the mineral title.

(8) On the cancellation of a mineral title the rights of the holder of the title there under shall cease, and the cancellation shall not affect any liability incurred before the cancellation and any legal proceeding that might have commenced against the former holder of the title may or continue against him.

58. Surrender of mineral titles.- (1) The holder of a mineral title who wishes to surrender all or a part of the land subject to the mineral title shall apply to the Licensing Authority for a certificate of surrender, in respect of the land, not less than three months before the date on which he wishes the surrender to have effect.

(2) An application under sub-rules (1) shall-

- (a) state the date on which the applicant wishes the surrender to have effect;
- (b) if part only of the land subject to the title is to be surrendered, identify the land to be surrendered by a description and the inclusion of a map identifying that part.
- (c) give particulars of reconnaissance, or mining operations, as the case may be, carried on in respect of the land to be surrendered, and
- (d) be supported by such records and reports in relation to operations as the Licensing Authority may reasonably require.

(3) Subject to sub-rule (4), on application made under sub-rule (1) the Licensing Authority shall issue a certificate of surrender, either unconditionally or subject to such conditions as are specified in the certificate, in respect of the land to which the application relates.

(4) The Licensing Authority shall not issue a certificate of surrender-

- (a) to an applicant who is in default;
- (b) to an applicant who fails to comply with any reasonable requirement of the Licensing Authority for the purposes of sub-rule (2) (d), or
- (c) if the authority is not satisfied that the applicant will leave land to be surrendered and on which reconnaissance, exploration or mining operations have been carried on in a condition which is safe and which accords with good reconnaissance, exploration or mining practices.

59. Effect of certificate of surrender.- (1) Where, pursuant to rule 59 (3), a certificate of surrender is issued, the Licensing Authority shall-

(a) if part only of the land subject to a mineral title is surrendered, cause the title to be amended accordingly; and

(b) in any other case, cause the mining title to be cancelled,

and, in either case, the Authority, shall give notice in writing to the applicant for the certificate of surrender of the amendment, or as the case may be, the cancellation, and of the issue of the certificate of surrender.

(2) Land in respect of which a certificate of surrender is issued shall be treated as having been surrendered with effect from the date on which notice of the surrender is given.

(3) The surrender of any land shall not effect any liability incurred before the date on which the surrender has effect in respect of the land, and legal proceedings that might have commenced against the holder or, may continue against him.

VII - REGISTRATION AND TRANSFER OF MINERAL TITLES

60. Titles Register.- (1) The Licensing Authority shall cause a record to be made in a Titles Register, kept for the purpose, of every mineral title issued and of any dealings with or affecting, a mineral title.

(2) When a mineral title is issued the Licensing Authority shall cause the name of the person to whom the mineral title is issued to be recorded in the Titles Register as the holder of the mineral title.

61. Approval of transfer, etc. of mineral title.- (1) Unless

(a) the Licensing Authority approves a transfer of, or a cession or assignment of rights of interest to or in, a mineral title, or the joining of a person as a joint holder of a mineral title or of rights or interests to or in a mineral title, and

(b) the transfer, cession or assignment is to a person, or the person joined is a person, capable under these rules of holding the mineral title,

the purported transfer, cession, assignment or joining shall have no effect.

(2) Where an application is made to the Licensing Authority for any approval such as is referred to in sub-rule (1) (a) the Licensing Authority may, subject to sub-rules (3) and (4), give its approval, subject to such conditions as it deems necessary in the circumstances to impose but the Licensing Authority shall not unreasonably withhold its consent.

(3) The Licensing Authority shall not give its approval to any of the dealings such as are referred to in sub-rule (1) with a reconnaissance license, or, subject to sub-rules (4), to any dealing with an exploration license during the first two years of its term unless the authority considers that there are special reasons for giving such approval.

(4) An application under this rule shall give in respect of the person to whom the license is to be transferred, ceded or assigned or who is to be joined, the information required in rule 16 (1) (a) in respect of an applicant and all other relevant information.

(5) The Licensing Authority may require any person making an application for any approval such as is referred to in sub-rule (1) to furnish to it such information as it may reasonably require to enable it to dispose of the application and the applicant shall comply with the requirement.

62. Inspection of Titles Register.- (1) On application made, a copy of any entry in the Titles Register may be obtained on payment of the appropriate fee as notified by the Government.

(2) On application made, the Titles Register shall be open for inspection by the applicant and the applicant may take copies of any license or entry in the Register.

63. Titles Register may be rectified.- Where the Licensing Authority is satisfied that a mistake has been made in, or that some matter has been incorrectly entered in, or omitted from, the Titles Register, it shall rectify the Register by recording reasons thereof.

64. Offences in relation to Registration in Titles Register - A person who willfully-

(a) makes, or causes to be made or concurs in making, a false entry in the Titles Register, or

(b) produces or tenders in evidence a document falsely purporting to be a copy of an extract from an entry in the Titles Register,

shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be with-drawn.

VIII- FINANCIAL

- 65. Royalties payable on minerals.-** (1) Subject to these rules, the holder of –
- (a) a mining lease who has won or mined any mineral or group of minerals in the course of any exploration or mining operations carried on by the holder; or
 - (b) an exploration license or a mineral deposit retention license, who has found or incidentally won any mineral or group of minerals in the course of any exploration operations carried on by the holder,

shall be liable to pay to the Government, in respect of any such mineral or group of minerals disposed of by the holder, royalty determined in accordance with these rules.

(2) For the purposes of these rules any mineral or group of minerals shall be disposed of if it is-

- (a) sold, donated or bartered;
- (b) appropriated to treatment or other processing without having been dealt with as provided in paragraph (a) prior to appropriation; or
- (c) exported from Punjab without having been dealt with as provided in paragraph (a) or (b) prior to export.

66. Rate of Royalties.- (1) Subject to these rules, royalty shall be charged, in respect of any mineral referred to in sub-rule (1) (a) or (b) of rule 65 which is disposed of, on the following basis –

- (a) in the case of coal, and the construction and industrial minerals group as specified in Schedule 3, at such rates as may be notified by the Government from time to time;
- (b) in case of the precious stones group as so specified, ten percent;
- (c) in the case of the precious metals group and semi-precious stones group as so specified, three percent;
- (d) in the case of base metals group as so specified, two percent;
- (e) in the case of the rare metals as so specified, ten percent; and
- (f) in the case of any other mineral, one percent,

on the fair market value of the mineral or group of minerals as provided in this rule.

(2) For the purposes of sub-rule (1), the fair market value of a mineral or group of minerals is-

- (a) where the mineral or group of minerals is disposed of in a sale at arm's length, the sale price;
- (b) where the mineral or group of minerals is not so disposed of, the value established, in relation to the kind of disposal concerned, by reference to criteria for the determination of that value, in the mineral agreement or mineral title or under which or pursuant to which the mineral or group of minerals was won or mined; or
- (c) where the mineral or group of minerals is not disposed of as provided in paragraph (a) and there are no such criteria as provided in paragraph (b) the amount, determined by the Licensing Authority, at the date of the disposal, which would in the opinion of the Licensing Authority, be paid on international markets or, as the case may be, domestic markets for such mineral or group of minerals in a sale at arm's length by a willing seller to a willing buyer.

(3) For the purposes of sub-rule (2), a sale is a sale at arm's length if, the following conditions are satisfied with respect to the contract of sale, that is to say-

- (a) the contract price is the sole consideration for the sale;
- (b) the terms of the sale are not affected by any commercial relationship other than that created by the contract of sale between the seller or any other

person associated with the seller and the buyer or any person associated with the buyer; and

- (c) neither the seller nor any person associated with the holder of the mineral title has, directly or indirectly, any interest in the subsequent resale or disposal of the mineral or group of minerals or any product derived there from.

(4) For the purposes of this rule, the fair market value, in respect of any mineral or group of minerals which has been disposed of, shall be determined by reference to the first point at which it was disposed of, without allowing for any deductions from the gross amount so determined.

67. Enhanced royalty.- Where pursuant to rule 7, a mineral agreement makes provision for the payment of royalty, by the holder of mineral title, at an enhanced rate or rates in respect of any mineral or group of minerals won, mined or found as provided in rule 65, the enhanced rate of royalty shall be determined and payable in accordance with the terms of the agreement provided that the rate of royalty payable at any time shall not be less than the rate notified pursuant to rule 66.

68. Payment of royalty.- (1) Royalty in respect of any mineral or group of minerals won, mined or found as provided in rule 65 and disposed of shall be payable not later than 30 days after the end of calendar month in which the mineral or group of minerals is disposed of.

(2) Where any person has failed to pay an amount of royalty as required by sub-rule (1), mark up calculated at the rate of one per centum per day on the amount or any part thereof from time to time remaining unpaid, shall be payable from the due date of payment until all outstanding amount is paid.

(3) The holder of a mineral title shall submit, in respect of each month and in such form and detail as the Licensing Authority may determine, a return showing the amount of royalty to be paid in respect of any mineral or group of minerals disposed of in the month.

69. Deferment of royalty.- (1) Subject to sub-rule (2), the Government, on the advice of the Department and with the concurrence of the Finance Department, on application made in writing by the holder of a mining lease, may, by notice in writing to the holder defer payment of such royalty or mark up for such period and on such conditions as may be determined by the Government and specified in the notice, or may refuse to so defer the royalty or mark-up payable.

(2) The Government shall defer the royalty or mark-up payable in accordance with sub-rule (1) only when the holder of the mining lease has demonstrated to the satisfaction of the Department and the Finance Department that in the absence of the deferral, the mining operations, for economic reasons, otherwise permanently cease or be suspended for an indefinite period.

70. Powers of government in case of failure to pay royalty.- If the holder or mineral title referred to in rule 6 fails to pay any royalty payable by him in accordance with rule 68 or, if applicable, on or before such date to which the payment of the royalty has been deferred under rule 69, the Government may, by notice in writing given to the holder, prohibit-

- (a) the removal of any mineral or group of minerals from the exploration area, mining area, retention area, the land subject to the mining lease or, in the case of the holder of prospecting license, from the place where the mineral or group of minerals is found, won or mined;
- (b) any dealing in connection with any mineral or group of minerals found, won or mined from any such area, land or place,

until such time as the royalty has been paid, or the payment has been deferred under rule 69.

71. Contravention of rule 70.- Any person who contravenes or fails to comply with a notice given to the person under rule 70 shall be guilty of an offence and be punishable with a penalty as prescribed by the Government besides, rectification or default.

72. Proof of amounts payable under these rules.- In any proceedings to recover in a competent court any amount payable under these rules, a certificate purporting to be a certificate under the hand of the Government certifying that the amount of money specified in such certificate is payable under these rules by any holder such as is referred to in rule 65 named in such certificate shall be received in evidence as prima facie proof of the facts stated in the certificate.

73. Rentals and renewals.- (1) Annual rent in respect of a mineral title shall be paid in respect of the category of mineral title in accordance with Schedule 2 and sub-rule (2).

(2) Payment of the annual rental pursuant to sub-rule (1) in respect of a mineral title shall be made within thirty days after the date of the issue of the mineral title and thereafter shall be made on the same date of each year.

(3) Where any person has failed to pay any amount of annual rental mark-up calculated at the rate of one per centum per day on the amount or any part thereof, from time to time remaining unpaid, shall be payable from the due date of payment until all outstanding amount is paid.

(4) A renewal fee in respect of the mineral title shall be paid in accordance with column 3 of Schedule I.

Rule 73-A added Vide Notification No.V(I&MD)3-21/95 Vol-III dated 30.04.2003.

73-A. Surface rent.- (1) A licensee or lessee shall pay, for all Government land which he may use or occupy superficially for the purposes of the operations conducted under the license or the lease, a surface rent and water-rates assessable under the revenue or any other law or rules in the district in which the land is situated:

Provided that if no such rent is assessable under the existing law, the rent and the water rate may be fixed by the Licensing Authority.

(2) If the land belongs to a private person, a lessee or a licensee shall pay surface rent to the owner of the area for the land actually used or occupied superficially at such rate and in such manner as may be mutually agreed upon between the lessee and the land owner and in case of disagreement between them, at such rate and in such manner as may be determined by the Licensing Authority by taking into account produce unit of the area:

Provided that before proceeding under this rule, the Licensing Authority shall give the parties reasonable opportunity of being heard.

(3) If no such rent is available under the laws of the district in which the land is situated, the rent may be fixed by the Licensing Authority subject to a minimum of Rs.200/- per acre.

IX - MISCELLANIOUS PROVISIONS

74. Force majeure.- (1) Any failure on the part of the holder of a mineral title to fulfill any of the conditions of the license, or meet any requirement of these rules, shall not be treated as a breach of the holder's mineral title in so far as the failure arises from an act of war, hostility, insurrection, or an act of God, or from any other cause specified in the conditions of the mineral title as constituting force majeure.

(2) Where the holder of a mineral title fails to fulfill any of the conditions of the mineral title as a result of the occurrence of any circumstance of a kind referred to in or specified in sub-rule (1) the holder shall forthwith give notice to the Licensing Authority, giving particulars of the failure and its cause.

(3) The Licensing Authority may, on application made to it by the holder of a mineral title referred to in sub rule (2) who has been prevented from exercising any right

under the mineral title for any period in the circumstances contemplated in sub rule (1), extend by notice in writing, on such conditions as may be determined by the Licensing Authority, the period for which the mineral title in question has been issued, by such reasonable period as may be determined by the Authority.

(4) The Licensing Authority may refuse any application referred to in sub-rule (3) if the holder of the mineral title could, by taking reasonable steps which were available to the holder, have exercised the rights concerned during that period.

(5) The provisions of this rule shall not be construed as absolving any holder of a mineral title from complying with any obligation under the mineral title or these rules to pay royalties, annual charges, rent or fees.

75. Joint liability.- Where a mineral title is held by more than one holder, the liability of any holder in respect of any breach thereof, shall be joint and several, but without prejudice to any right of contribution which a particular holder may have against any other holder in respect of any liability incurred by the particular holder in respect of the breach.

76. Competitive bids.- The Licensing Authority may, when required by the Government to do so, invite competitive bids for the issue of an exploration license or a mining lease in respect of any area of land which is not subject to:

- (a) a reconnaissance license which gives the holder an exclusive right such as is referred to in rule 14 (3).
- (b) an exploration license, a mining lease or a mineral deposit retention license or a prospecting license or a mining lease under small scale mining, or
- (c) an application for any such license or lease,

and may, in accordance with these rules, issue the appropriate mineral title to the successful bidder.

77. Performance guarantees. - (1) A person shall, at the time of the grant of a mineral title, other than a reconnaissance license, lodge with the Licensing Authority security for compliance with the holder's obligations under these rules and the title.

(2) A security under sub-rule (1) shall be by way of bank guarantee, parent company guarantee or otherwise as approved by the Licensing Authority.

Rule 78 amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

78. Arbitration. - (1) Subject to sub-rules (2), any dispute arising between the holder of a mineral title and Licensing Authority or the Government out of or in connection with a mineral title shall, if it cannot be settled amicably within a reasonable period, be submitted to the Mineral Investment Facilitation Board or such other body or tribunal as the parties may agree, for arbitration or settlement.

- (2) Sub-rule (1) shall not apply in relation to a dispute concerning any matter—
 - (a) where any such dispute is, under the mineral title or a relevant mineral agreement, to be resolved by a sole expert; or
 - (b) if the dispute concerns the alleged commission by the holder of the mineral title of a criminal offence.

Original Rule-78(sub-rule(2) omitted & sub-rule (3) re-numbered as sub-rule (2)

78. Arbitration. - (1) Subject to sub-rules (2) and (3), any dispute arising between the holder of a mineral title and Licensing Authority or the Government out of or in connection with a mineral title shall, if it cannot be settled amicably within a reasonable period, be submitted to the Mineral Investment Facilitation Board or such other body or tribunal as the parties may agree, for arbitration or settlement.

(2) Sub-rule (1) shall not apply where the holder of a mineral title is a citizen of Pakistan, or a company formed by or under a law for the time being in force in Pakistan whose entire share capital is beneficially owned by citizens of Pakistan.

- (3) Sub-rule (1) shall not apply in relation to a dispute concerning any matter –
- (a) where any such dispute is, under the mineral title or a relevant mineral agreement, to be resolved by a sole expert; or
- (b) if the dispute concerns the alleged commission by the holder of the mineral title of a criminal offence.

79. Rights over data.- (1) The Government shall have the exclusive right to all data including geological, geophysical, geochemical, petrochemical, engineering, pit logs, maps, magnetic tapes, cores and production data, as well as all interpretative and derivative data including reports, studies, analyses, interpretations, bulk sampling results, assaying results, evaluations and other information in respect of exploration or mining operations, subject to sub-rule (2).

(2) The holder of a mineral title shall have the right to make use of the data referred to in sub rule (1) free of cost, for the purpose of exploration or mining operations and to retain copies or samples of material or information constituting the data subject to sub-rule (3).

(3) Data permitted to be used or retained as provided in sub-rule (2), which is not in the Public domain, shall not be disclosed to any person without the prior consent of the Licensing Authority, except as may be necessary for the purpose of, or in connection with, exploration and mining operations, or as required by law, or for the purpose of arbitration or litigation.

80. Compliance with other laws.- Nothing in these rules shall be construed as authorising the holder of a mineral title or a prospecting license to do any thing-

- (a) which the holder is prohibited from doing under any law for the time being in force; or
- (b) otherwise than in accordance with any such law regulating the doing of that thing, and for that purpose obtaining any prospecting license, mineral title, approval, permission or other document required under any such law.

81. Retention of fees.- Where any application under these rules is refused, the application fee, which was paid at the time of the application, shall be retained to defer administrative costs.

82. Notice of applications made and titles issued, etc.- (1) The Licensing Authority shall give notice of any application for a mineral title received by it by posting a notice, not later than seven days after the date of which the application was received in which-

- (a) it is made known for general information that the application has been made; and
- (b) is stated –
- (i) the name of the applicant;
- (ii) the nature of the title and the area of land and the mineral or group of minerals to which the application relates;
- (iii) the date on which the application was received; and
- (iv) such other particulars as the Licensing Authority may determine,

and shall keep the notice so posted until such date as the application has been finally disposed of.

(2) Where a mineral title is issued, the Licensing Authority shall cause notice of that fact to be published in the Official Gazette stating in the notice-

- (a) the name of the holder of the title,
- (b) the nature of the title and the area of land and the mineral or group of minerals to which the title relates; and
- (c) such other particulars as the Licensing Authority may determine.

(3) Where a mineral title is renewed, transferred, surrendered or cancelled, or any land subject to a title or prospecting license is surrendered, the Licensing Authority shall cause notice of that fact to be published in the Official Gazette stating in the notice

such particulars as the Licensing Authority deems necessary to identify the title and, where applicable, the land surrendered.

83. Order in which applications to be considered.- (1) All applications made under these rules and received by the Licensing Authority shall be considered by the Licensing Authority in the order in which they are received.

(2) For the purposes of sub-rule (1), applications so received on the same date shall be deemed to have been received simultaneously and priority shall be determined by the Licensing Authority by drawing lots in presence of the parties.

84. Removal and sale of property, etc.- (1) Where a mineral title has been cancelled or surrendered, or has expired, or if any area of land has ceased for any reason to be part of the area of land subject to the title, the Licensing Authority may, by notice in writing given to the person who is or was holder of the title, direct him to do all or any of the following, namely-

- (a) to demolish any building, structure or other things erected or constructed by the person in that area and to remove all debris and any other object brought into that area, except in so far as any owner of land in that area retains any such buildings, structures or other things on such conditions as may be mutually agreed upon between such occupier and person;
- (b) to take all steps as may be necessary to remedy to the satisfaction of the Licensing Authority any damage caused by any exploration or mining operations carried on by such person to the surface of, and the environment in, that area of land; or
- (c) to take such other steps as may be specified in the notice as the Licensing Authority deems necessary or expedient to give effect to any direction such as is referred to in paragraph (a).

(2) Where a direction under sub- rule (1) has not been complied with, the Licensing Authority may-

- (a) do or cause to be done all or any of the things required by the direction to be done;
- (b) remove or cause to be removed, in such manner as it thinks fit, all or any of the property from the area that was, but is no longer, subject to the title;
- (c) dispose of, in such manner as it thinks fit, all or any of the property referred to in paragraph (b); and
- (d) if it has served a copy of the notice by which the direction was given on a person whom the Licensing Authority believed to be an owner of the property or part of the property, sell or cause to be sold by public auction, or otherwise as the authority thinks fit, all or any of the property referred to in paragraph (b) that belongs, or that it believes to belong, to that person.

(3) The Government may deduct from the proceeds of a sale of property under sub- rule (2) that belongs, or that the Licensing Authority believes to belong, to a particular person-

- (a) all or any part of any costs and expenses incurred by the Licensing Authority under that sub-rule in relation to that property;
- (b) all or any part of costs and expenses incurred by the Licensing Authority under that sub rule in relation to the doing of anything required by a direction under sub-rule (1) to be done by the person;
- (c) all or any part of any fees or amounts due and payable under these rules by the person.
- (4) The costs and expenses incurred by the Licensing Authority under this

rule-

(a) if incurred in relation to the removal, disposal or sale of property, are a debt due by the owner of the property to the Government; and

(b) if incurred in relation to the doing of anything required by a direction under sub- rule (1) to be done by a person who is or was a holder of a mineral title are a debt due by that person to the Government,

and to the extent to which they are not recovered under sub-rule (3) are recoverable in a court of competent jurisdiction as a debt due to the Government.

(5) Any person referred to in sub-rule (1) who contravenes or fails to comply with a direction given to him under that sub-rule is guilty of an offence shall be punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be with-drawn.

85. Weighing of minerals.- The holder of an exploration license, a mineral deposit retention license, a mining lease shall provide in the exploration area, retention area, a properly constructed and correct weighing machine or other suitable means for determining the weight of any mineral or group of minerals won or mined in the exercise of the rights such as are referred to in rules 21, 32 or 45.

86. Power of Licensing Authority to obtain information.- (1) Where the Licensing Authority has reason to believe that a person is capable of furnishing information or data relating to reconnaissance, exploration or mining operations, or to minerals won, mined, found or sold or otherwise disposed of, or the value thereof, it may, by notice in writing served on that person, require that person-

- (a) to furnish the Licensing Authority in writing with that information or data, giving particulars, within the period and in the manner specified in the notice;
- (b) to attend before a person identified in the notice at such time and place as is specified and there to answer questions relating to those operations, to minerals won, mined, sold or otherwise disposed of, or to that information or data; or
- (c) to furnish a person identified in the notice, at such time and place as is specified, with such data as may be in his custody or power relating to those operations, or to minerals won, mined or sold or otherwise disposed of, or the value thereof.

(2) A person shall not be excused from furnishing information or data, or answering a question when required to do so under this rule, on the ground that the information or data so furnished, or the answer to the question, might tend to incriminate him or make him liable to a penalty, but the information or data so furnished or his answer to the question shall not be admissible in evidence against him in any proceedings other than proceeding for an offence against this rule.

(3) Where data are furnished, pursuant to a requirement under sub-rule (1) (c), the person to whom the data are furnished may make copies of or take extracts from the data.

- (4) Any person who-
 - (a) refuses or fails to comply with the requirement in a notice under sub-rule (1) to the extent to which he is capable of doing so;
 - (b) in purported compliance with a requirement referred to in sub-rule (1) (a), knowingly or recklessly furnishes information that is false or misleading in a material particular; or
 - (c) when attending before any person under a requirement referred to in sub-rule (1) (b) or furnishing any data to any person under a requirement referred to in sub- rule (1) (c), knowingly or recklessly makes a statement that is, or furnishes any data that are, false or misleading in a material particular,

shall be guilty of an offence and be punishable with a penalty as prescribed by the Government from time to time, in addition to rectification of the default within the time given by the Licensing Authority failing which the mineral title may be withdrawn.

(5) In this section, "data" includes books, documents, interpretations, tapes, diagrams, profiles and charts, photographs, lines or negatives and includes data recorded or stored by means of and tape recorder, computer or other device and any material subsequently derived from data so recorded.

87. Liability for pollution.- (1) Where in the course of reconnaissance, exploration or mining operations carried on under a mineral title, any mineral is spilled on land, or in any water on or under the surface of any land, or any land or any such water is otherwise polluted or damaged, or any plant or animal life, whether in water or on, in or under land, is endangered or destroyed, or any damage or loss is caused to any person, including the Government, by such spilling, pollution or damage, the holder of the mineral title or prospecting license shall forthwith-

- (a) report such spilling, pollution, loss or damage to the Licensing Authority; and
- (b) take at his own cost all such steps as may be necessary in accordance with good reconnaissance, exploration or mining practices or otherwise as may be necessary to remedy the spilling, pollution, loss or damage.

(2) If the holder of mineral title or prospecting license referred to in sub-rule (1) fails to comply with the provisions of paragraph (b) or that sub-rule within such period as the Licensing Authority may deem in the circumstances to be reasonable the Licensing Authority may order the holder, by notice in writing given to him, to take, within such period as may be specified in such notice, such steps as may be specified in order to remedy the spilling, pollution, damage or loss; and the Licensing Authority may, if the holder fails to comply with the order to the satisfaction of the Licensing Authority within the period specified in the notice or such further period as the Licensing Authority may, on good cause shown, allow in writing, cause such steps to be taken as may be necessary to remedy the spilling, pollution, damage or loss and recover in a competent court the costs incurred thereby from such holder.

88. Service of documents.- (1) Any document, notice or other communication required or authorised under these rules to be given to or served on any person by the Licensing Authority or any other person shall be deemed to have been given or served-

- (a) if given to or served on such person, personally;
- (b) if despatched by registered or any other kind of post addressed to such person, at his last known address which may be any such place or office as is referred to in paragraph (c) or the person's last known post office box number or private bag number or that of the person's employer;
- (c) if left with some adult person apparently residing at or occupying or employed at the person's last known abode or office or place of business;
- (d) in the case of a company-
 - (i) if delivered to the public officer of the company;
 - (ii) if left with some adult person apparently residing at or occupying or employed at its registered address;
 - (iii) if despatched by registered post addressed to the company or its public officer at its or the officer's last known address; or
 - (iv) if transmitted by means of a facsimile transmission to the person concerned at the registered office or the company.

(2) Any document, notice or other communication referred to in sub-rule (1) which has been given or served in the manner contemplated in paragraph (b) or (d) (iii) of that sub-rule, shall, unless the contrary is proved, be deemed to have been received by the person to whom it was addressed at the time when it would, in the ordinary course of post, have arrived at the place to which it was addressed.

89. Powers of authorised officer.- (1) For the purposes of these rules, the Licensing Authority, through an authorised officer, at all reasonable times-

- (a) may enter in any area, structure, Vehicle, vessel, aircraft or building that, in his opinion, has been, is being or is to be used in connection with reconnaissance, prospecting or mining operations;
- (b) may inspect and test any machinery or equipment that in his opinion, has been is being or is to be used in connection with any of the operations referred to in paragraph (a);
- (c) may take or remove for the purpose of analysis or testing, or for use in evidence in connection with an offence against these rules, samples of minerals or other substances from a mine or any area where any of the operations referred to in paragraph (a) are being carried on;
- (d) may inspect, take extracts from, and make copies of, any data, as defined in rule 86 (5), relating to any of the operations referred to in paragraph (a);
- (e) may, with respect to the health and safety of persons employed by a holder of a mineral title or prospecting license in connection with any of the operations referred to in paragraph (a), issue in writing directions to, and impose restrictions on, the holder or any person so employed;
- (f) may in writing order-
 - (i) the cessation of operations on or in, and the withdrawal of all persons from, any structure or building that is being used in connection with any of the operations referred to in paragraph (a); or
 - (ii) the discontinuance of the use of any machinery or equipment, which he considers unsafe, unless and until such action as is necessary for safety and specified in the order is taken and completed; or
- (g) may make such examinations and inquiries as are necessary to ensure that the provisions of these rules, and any directions issued, conditions imposed or orders made under these rules, are being complied with.

(2) Before exercising any of his powers under sub-rule (1), if there is any person who is or appears to be in charge of the area, structure, vehicle, vessel, aircraft, building, machinery, equipment or matter or any other thing in respect of which the power is about to be exercised, an authorised officer shall show identification to that person and to any person to whom he is about to give an order or a direction.

(3) Any person who is aggrieved by a decision, direction or order of an authorised officer made under this rule may appeal in writing to the Government which shall, as soon as practicable hear and dispose of the appeal.

(4) On an appeal under sub-rule (3), the Government may rescind or affirm the decision, direction or order appealed from or may make a new decision, direction or order in substitution therefore, and that decision, direction or order shall be final.

(5) In exercising his powers under sub-rule (1), an authorised officer may be accompanied by any person whom the authorised officer believes has special knowledge or any matter being inspected, tested or examined.

(6) A person who is an occupier or person in charge of any building, structure or place, or the person in charge of any vehicle, vessel, aircraft, machinery or equipment referred to in sub-rule (1), shall provide an authorised officer with all reasonable facilities and assistance including the provision of necessary means of transport, for the effective exercise of the authorised officer's powers under this rule.

- (7) Any person who-
 - (a) without reasonable excuse obstructs, molests or hinders an authorised officer in carrying out his functions under this rule; or

- (b) knowingly or recklessly makes a statement or produces document that is false or misleading in a material particular to an authorised officer carrying out his functions under this rule,

shall be guilty of an offence and punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be withdrawn.

90. Further powers of authorised officers.-(1) If a person who was the holder of a mineral title, such as is referred to in sub-rule (2) of rules 20, 31, 44 or 56, fails to comply with the requirement of that sub-rule, an authorised officer may –

- (a) at all reasonable times, enter upon any premises whatsoever and search for the records, maps and plans, reports, photographs, tabulations, tapes, discs, books and documents referred to in paragraphs (a) to (d) of that sub-rule; and
- (b) seize any such records, maps and plans, reports, photographs, tabulations, tapes, discs, books and documents.

(2) The provisions of rule 89 (5), (6) and (7) shall apply mutatis mutandis in relation to an authorised officer and the carrying out of his functions under this rule as they so apply under rule 89.

91. Offences.- (1) Any person who carries on reconnaissance, exploration or mining operations in Punjab except under and in accordance with a mineral title or prospecting license shall be guilty of an offence and punishable with a penalty as prescribed by the Government from time to time, in addition to the rectification of the default within the time given by the Licensing Authority failing which the mineral title may be withdrawn.

- (2) Any person who –
- (a) makes or causes to be made in connection with any application under these rules any statement knowing it to be false or misleading;
- (b) submits or causes to be submitted in connection with any such application or any notice, report, return or statement issued or given under any provision of these rules or the conditions of any title, or prospecting license any document, information or particulars which are false or misleading knowing them to be false or misleading;
- (c) fraudulently and with the intent to mislead any other person to believe that a mineral or group of minerals exists at any place, places or deposits or causes to be so placed or deposited any mineral or group of minerals in or at any such place; or
- (d) fraudulently and with intent to deceive mingles or causes to be mingled with any sample of ore any substance which may increase the value or nature of the ore, shall be guilty of an offence and punishable with a penalty as prescribed by the Government from time to time, and shall rectify the default within the time given by Licensing Authority failing which the mineral title may be withdrawn.

92. Evidence.-(1) The production in any criminal or civil proceedings in any court of law of any certificate purporting to have been signed by an authorised officer certifying whether or not on a date specified in the certificate that-

- (a) mineral title or prospecting license was issued, renewed or transferred to a person so specified;
- (b) any interest in such title or license has been granted, ceded or assigned to a person so specified;
- (c) any person has been joined as a joint holder of a title or license so specified;
- (d) any condition so specified is or was a condition of title or license; or
- (e) a person mentioned in the certificate is or was the holder of a title;

- (f) title or license has been issued in respect of an area of land so specified shall.
- (g) unless the contrary is proved, be received in evidence as conclusive proof of the fact so certified.

(2) The production in any civil or criminal proceedings in any court of an extract of an entry in the Titles Register kept pursuant to rule 60, certified by an authorised officer to be a true and correct extract of such an entry shall, unless the contrary is proved, be received in evidence as conclusive proof of the entry.

93. Forfeiture order.- Where a person is convicted of an offence under these rules, the court before which he is convicted may, in addition to any penalty imposed or other forfeiture ordered, order that any mineral or group of minerals won or mined in the course of the commission or the offence, be forfeited to the government or, in the event of any such mineral or group of minerals having been sold or otherwise disposed of, that an amount equal to the proceeds of the sale or the market value of the mineral or group of minerals, as determined by the court, be paid by such person for the benefit of the Government.

Rule 94(1) amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

94. Appeal.- (1) In case of large scale mining, if a person is aggrieved by an order of the Licensing Authority passed under these rules, he may, within thirty days of the communication of the impugned order and payment of such fee as may from time to time be prescribed by the Government, prefer an appeal to the Government in the Department.

Original Rule 94(1)

94. Appeal.- (1) If a person is aggrieved by an order of the Licensing Authority passed under these rules, he may, within thirty days of the communication of the impugned order and payment of such fee as may from time to time be prescribed by the Government, prefer an appeal to the Government in the Department.

(2) The decision of the Government on such appeal shall be final.

(3) The Government, while hearing the appeal under sub-rule (1) may, if it so considers necessary in the interest of justice, grant a stay order:

Provided that no such order shall be passed in respect of Government dues unless the appellant deposits 25% of the disputed amount with the Licensing Authority.

(4) If the appeal in which a stay order has been granted is finally rejected and the Appellate Authority is of the view that the appeal was preferred on frivolous grounds or the stay order was obtained by deceit or fraud on the part of the appellant, it may while deciding the appeal, impose a penalty upto 5% of the disputed amount.

(5) The amount deposited under sub-rule (3) shall first be adjusted towards the penalty imposed under sub-rule (4). The remaining amount, if any, may be adjusted towards the satisfaction of the Government dues, and the balance, if any, may be refunded to the appellant.

PART-3
SMALL SCALE MINING
1-GENERAL

95. Manner in which application may be made.- (1) An application for a license or a lease shall be in the form set out by the Licensing authority.

(2) The application shall be handed over alongwith the requisite documents to the officer authorised in this behalf, by the Licensing Authority.

(3) The application, if complete in all respects, shall forthwith be allotted a registration number.

(4) The incomplete application shall be returned alongwith the objections duly signed by the authorised officer.

96. Documents to be annexed.- (1) An application for a license or a lease made under rule 95 shall be accompanied by.-

- (a) the original copy of the Treasury Challan pertaining to the deposit of such application fee as is notified by the Government from time to time;
- (b) in the case of a partnership firm, an authenticated copy of the partnership deed duly registered with the Registrar of Firms concerned;
- (c) in the case of a company, a verified copy each of the Memorandum and Articles of Association and Certificate of Incorporation;
- (d) fifteen copies of the map duly signed by the applicant, showing the boundaries of the area in respect of which the license or lease is applied for. The map shall be prepared from the Survey of Pakistan Maps of Scale 1:50,000 or nearest scale available. It will be sufficient compliance of this sub-rule if only one copy of the map or sketch plan showing area and grid lines is attached with the application and such fee for preparing 15 copies of the plan, as is notified by the Government from time to time, is paid in advance; and
- (e) evidence of financial status of the applicant in the manner as may be prescribed by the Licensing Authority from time to time.

(2) An applicant shall also furnish such other information as may be required by the Licensing Authority. If the requisite information is not furnished within two months, the application shall be liable to be rejected.

(3) The information contained in the application or furnished to the Licensing Authority in pursuance of an application made in accordance with these rules, other than that incorporated in the register referred to in rule 100 shall be treated as confidential by the Licensing Authority.

97. Acknowledgement of application.- The officer receiving the application under these rules shall record thereon the date and time of its receipt and shall deliver to the applicant an acknowledgement stating the date and time of receipt.

98. Reciprocity.- A license or a lease shall not be granted to, or held by, any person who is or becomes controlled directly or indirectly by a national of or by a company incorporated in any country the laws and customs of which do not permit subjects of Pakistan or companies incorporated in Pakistan to acquire, hold and operate mining concessions on conditions which, in the opinion of the Government, are reasonably comparable with the conditions upon which such rights are granted to nationals of that country in Pakistan.

99. Application by an alien or a company incorporated outside Pakistan.- In the case of an application for a license or lease by an alien or a company incorporated outside Pakistan or in the case of an application by a licensee or a lessee for the Government's consent to the assignment of a license or a lease to an alien or a company incorporated outside Pakistan, such license or lease shall only be granted or assigned to a company incorporated in Pakistan for the purpose of receiving and working any such license or lease.

100. Register of applications.- (1) The Licensing Authority shall maintain a register of applications for licenses and leases containing the following columns:

- (a) Serial No.
- (b) Date and time of the receipt of application.
- (c) Particulars of the applicant.
- (d) Mineral for which a license or a lease is required.
- (e) Period for which a license or a lease is required.
- (f) Full particulars of the area applied for.
- (g) Application fee paid.

- (h) Final orders regarding disposal of the application.
 (i) Remarks, if any.
 (2) The register maintained under sub-rule (1) and the Master Plan showing the area in respect of which a lease or a license has been applied for or granted shall be open to public for inspection on payment of such fee as is notified by the Government from time to time.

Explanation.- Master Plan would mean such survey of Pakistan Map on which the areas applied for and the areas granted under licenses and leases are marked by the Licensing Authority for record.

101. Separate application to be made for each area and each mineral.- A separate application shall be made in respect of each area and for each mineral.

102. Grant of more than one license or lease to the same person.- More than one license or lease may be granted to the same person.

103. Availability of area.- On receipt of the application, the Licensing Authority shall, before granting the concession, ascertain that the area applied for does not overlap with an area already covered by a license or a lease or an application for such a license or a lease:

Provided that the Licensing Authority may fix the maximum and minimum limits of area for grant of concessions for different minerals to an individual, firm or a limited company.

104. Priority.- In case there are more applications than one for the grant of license or a lease in respect of the same mineral or area, unless the Licensing Authority in its discretion decides otherwise, by recording reasons therefore, the principle of first come first served shall apply.

Rule 105 amended Vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

105. Refusal to grant license or lease.- If in the opinion of the Licensing Authority it is not expedient to grant license or a lease, it shall refuse the acceptance of the application giving reasons thereof in a well defined manner.

Original Rule 105

105. Refusal to grant license or lease.- If, in the opinion of the Licensing Authority it is not expedient to grant license or a lease, it shall refuse the acceptance of the application.

106. Lapse of right to license or lease.- If a licensee or a lessee fails to submit the accepted copy of the plan of the granted area, demarcation certificate and prospecting/development scheme in the manner as prescribed under the rules, within the time period fixed in the allotment letter, the Licensing Authority, after providing an opportunity to explain the delay, may terminate the concession.

Provided that the Licensing Authority may condone the delay in submission of the said documents after imposing penalty under rule, 177.

107. Terms and conditions of licenses and leases.- A license and a lease shall stand granted on the issuance of Allotment Letter by the Licensing Authority and may include such clauses relating to ancillary matters as the Licensing Authority may deem fit to insert.

108. Assignment.- A licensee or a lessee shall not transfer any right or interest in the license or the lease, nor part with the possession of the area or any part thereof, without prior approval in writing of the Licensing Authority:

Provided that a licensee or a lessee shall not divide the licensed or the leased area between the partner or the partners, as the case may be, without the prior approval of Licensing Authority.

109. Method of making application for assignment.- (1) An application for assignment under these rules, shall be submitted at least three months before the expiry of the license and not less than eighteen months before the expiry of the lease in the Form set out by the

Licensing Authority and shall be accompanied by such fee as is notified by the Government from time to time.

(2) The applicant shall furnish in the application all such particulars in respect of the proposed assignee as are required in case of an application for a license or a lease under these rules and shall annex the requisite documents.

Rule 109(3) amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

(3) The application shall be signed both by the assignor and the assignee in the presence of the Licensing Authority or the officer authorised in this behalf and shall be deemed to be accepted.

Original Rule 109(3)

109(3)The application shall be presented in person and signed both by the assignor and the assignee in the presence of the Licensing Authority or the officer authorised in this behalf.
--

110. Security deposit.- (1) Every applicant shall, before a license or a lease is granted or assigned to him deposit security in respect of such license or lease at the rate and in the form notified by the government from time to time; provided that no security shall be payable afresh, where the license or lease has been assigned to a financing institution.

(2) Subject to the provision of these rules, if a license is converted into a lease, the security deposited under sub-rule (1) shall be adjusted towards security for the lease.

3rd proviso of Rule 111 amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

111. Right of surrender.- A licensee or a lessee desirous or surrendering the area under license or lease, in whole or in part, shall give at least one month's prior notice in writing to the Licensing Authority:

Provided that where the license or the lease has been assigned to or charged in favour of a financing institution, the licensee or the lessee shall not be entitled to surrender the license or the lease in whole or in part, except with the prior consent in writing of the financing institution concerned:

Provided further that in the case of partial surrender, the area to be retained shall not be less than the economic limit fixed by the Licensing Authority and the shape of the area shall be subject to provisions of rule 114:

Provided further that on the partial surrender of the area, the licensee or the lessee, as the case may be, shall become entitled to proportionate reduction in annual fee or dead rent but the annual fee or the dead rent that has already become due from or paid by the licensee or the lessee shall not be refunded.

Original 3rd Proviso of Rule 111
--

Provided further that on the partial surrender of the area, the licensee or the lessee, as the case may be, shall become entitled to proportionate reduction in annual fee or dead rent but the annual fee or the dead rent that has already become due from or paid by the licensee or the lessee shall not be referred .

112. Publication.-- As soon as may be after the grant renewal, assignment, surrender, determination, or lapse of any license or lease under these rules, the Licensing Authority shall publish notice of such grant, assignment, surrender, determination, or lapse in the official Gazette stating the name of the licensee, the lessee or the assignee and a brief description of the area concerned.

113. Refund of security deposit.- If the Licensing Authority is satisfied that the provisions of these rules have been duly complied with, on the expiry, surrender, lapse or determination of a license or a lease, the amount of the security deposit may be refunded to the licensee or the lessee, as the case may be, after making deduction towards rents, royalties, penalties or any other amount outstanding against him under the rules.

114. Shape of area.- Each area in respect of which a license or a lease is granted shall, as far as practicable, be in a compact shape and shall either be limited by well-marked permanent physical boundaries to be bounded by straight lines:

Provided that where a gap of 100 meters or less exists between the licensed or leased area it shall not be granted to an applicant other than the licensee or the lessee of the adjoining area:

Provided further that on a request made in writing by the licensee or a lessee, the Licensing Authority may order the merger of his contiguous areas under a license or a lease subject to provision of these rules.

115. Release of lands included by inadvertence.- In the event of the inclusion, by inadvertence, of the area under a license or a lease in respect of which it may subsequently transpire that the rights for the same mineral have already been granted to another individual, firm, or company or part of the area has been included through typographical or clerical mistake, the licensee or the lessee shall immediately release to the Licensing Authority any such land or area when required to do so by the Licensing Authority without any claim of compensation.

116. Grant of same area to different parties.- The Licensing Authority may grant the same area to different persons for different minerals.

117. Mode of payments.- (1) All amounts payable under these rules, unless otherwise prescribed by the Licensing Authority, shall be deposited into a Government Treasury or into any bank authorised by the Government for the purpose, under the Head of Account specified by the Licensing Authority, from time to time.

(2) The receipt or the challan shall, in original, be submitted to the Licensing Authority.

II - PROSPECTING LICENSES

118. Licensee's right under a license.- A license shall, subject to these rules and conditions contained in the license, confer on the licensee the rights given in the Allotment Letter.

119. Grant of prospecting license.- The Licensing Authority may in accordance with these rules grant a prospecting license for a mineral over the area specified therein provided the applicant is considered fit.

Rule 120 amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003

120. Area.- Except as otherwise determined by the Government, a license shall not be granted in respect of any area of more than 12.5 square kilometers.

Original Rule 120
Area.- Except as otherwise determined by the Government, a license shall not be granted in respect of any area of more than 25 square kilometers.

121. Register of license.- The Licensing Authority shall maintain a register of license granted by it, specifying:

- (1) Number of the prospecting license;
- (2) Mineral for which the license is granted;
- (3) Name and address of the licensee;
- (4) Particulars of the licensee whether individual, firm or company;
- (5) Date of grant of the license;
- (6) Total area;
- (7) Situation and boundaries of the area;
- (8) Amount of Security deposit;
- (9) Particulars of disposal or refund of security deposit;
- (10) Dates of renewals;
- (11) Date of assignment of the license;

- (12) Particulars of the assignee;
- (13) Date of application for mining lease;
- (14) Date of conversion of license into lease; and
- (15) Remarks, if any.

Rule 122 amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

122. Period of license.- The license shall, in the first instance, be valid for a period of three years.

Original Rule 122

Period of license.- The license shall, in the first instance, be valid for a period of two years.
--

Rule 123 amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

123. Renewal.- Subject to the licensee having carried out the working obligations under rule 125, the Licensing Authority may grant renewal of the license for a period of two years at anyone time to enable the licensee to complete the prospecting work to the satisfaction of the Licensing Authority:

Original Rule 123

Renewal.- Subject to the licensee having carried out the working obligations under rule 125, the Licensing Authority may grant renewal of the license for a period of twelve months at anyone time to enable the licensee to complete the prospecting work to the satisfaction of the Licensing Authority:

Provided that the total period of the license including the initial period shall not exceed 5 years:

Provided further that the period of 5 years shall be in addition to the grace period provided in rule 124.

Provided further that the licensee shall apply in writing to the Licensing Authority for renewal at least one month before the license expires. The Licensing Authority may, however, condone the delay in the submission of the application.

Explanation.- The period of a license shall be reckoned from the initial date of grant of the license irrespective of any assignment made during the currency of the license.

124. Right of a licensee for renewal of his prospecting license, on applying for mining lease.- The licensee having applied for the grant of a lease over the area specified in the license before the expiry of the license shall have the right to renewal of the license until the lease applied for has been granted or refused.

Rule 125(1) amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

125. Working obligations.- (1) The licensee shall, in respect of the areas covered by each license, prepare and submit, within three months of the grant of the license, a scheme of prospecting for the approval of the Licensing Authority and shall not commence the operations unless the scheme has been submitted.

Original Rule 125(1)

Working obligations.- (1) The licensee shall, in respect of the areas covered by each license, prepare and submit, within three months of the grant of the license, a scheme of prospecting for the approval of the Licensing Authority and shall not commence the operations unless the scheme has been approved.

(2) The scheme shall inter alia include (i) location of the area; (ii) nature of deposits; (iii) methods of prospecting including machinery and equipment to be used; (iv) phasing of prospecting operations; (v) technical personnel to be employed; (vi) details of roads, residential accommodation for staff and labourers to be constructed; and (vii) phase-wise estimated expenditure on the scheme.

(3) The scheme shall be accompanied by necessary geological maps, plans, etc.

(4) The Licensing Authority shall communicate the approval of the scheme to the licensee within three months of its receipt.

(5) If, in the opinion of the Licensing Authority the licensee fails to fulfill the working obligations as required by the scheme, the licensee shall forfeit the right to renewal of the license or the grant of lease over any part of the area covered by the license.

126. Annual fee.- (1) The licensee shall pay such annual fee as is notified by the Government from time to time for the land covered by the license. The fee shall be enhanced by 50 per cent over the last fee paid each time the license is renewed. The fee shall also be payable for the period of renewal granted under rule 124, as a single renewal or term, as the case may be.

(2) The fee shall be payable for each mineral separately even if the area under license for different minerals is the same.

127. To plug boreholes, etc.- Save in the case of land over which the licensee has been granted a lease on or before the determination of the license, he shall, within one month after the determination of the license or the date of abandonment of the undertaking, whichever may occur earlier, securely plug all mines and fill up or fence any holes or excavations that he may have made in the land to such extent as the Licensing Authority may require and shall, to the like extent restore the surface of the land and all building thereon which he may have damaged in the course of prospecting:

Provided that the licensee shall not be required to restore the surface of the land or any building in respect of which compensation has been paid under these rules.

128. Right of the licensee to a mining lease.- Subject to the provisions of these rules, the licensee shall have a right to lease:

Provided he has carried on prospecting operations to the satisfaction of the Licensing Authority, proved mineral reserves and has been paying all Government dues regularly and has paid such compensation, if any, as is provided in these rules:

Provided further that the licensee shall apply in the prescribed form alongwith documents as laid down under rule 96, by hand, for the grant of a lease at least one month before the expiry of the license. The Licensing Authority may, condone the delay upto a maximum period of three months in the submission of such an application after imposing penalty under rule, 177.

129. Disclosing the information acquired by the licensee during the course of his operations.-- If so required by the Licensing Authority, the licensee shall, before the security is returned to him under rule 113, disclose to the Licensing Authority all information required in the course of the operations carried on under the license regarding the minerals contained therein, and geological formation of any area not taken or granted under a mining lease.

III-MINING LEASES

130. Lessee's right under a lease.- A lessee shall subject to these rules and the conditions contained in the lease, confer on the lessee the rights as envisaged in these rules.

131. Grant of mining lease.- The Licensing Authority may grant a mining lease in accordance with these rules, for a mineral over the land specified therein provided the applicant is considered fit.

132. Comprehensive mining Lease.- Except where special exemption is granted by the Government no lease shall be granted in respect of an area of more than 12.5 square kilometers.

Proviso at the end of Rule 133 was deleted vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

133. Register of mining leases.- The Licensing Authority shall maintain a register of leases granted by it, specifying:

- (1) Number of the mining lease;
- (2) Mineral for which lease is granted;
- (3) Name and address of the lessee;
- (4) Particulars of lessee, whether individual, firm or company;
- (5) Date of grant of lease;
- (6) Period for which granted;
- (7) Total area;
- (8) Situation and boundaries of the land;
- (9) Amount of security deposit;
- (10) Particulars of disposal or refund of deposit;
- (11) Dates of renewals with periods;
- (12) Date of assignment of the lease;
- (13) Particulars of the assignee; and
- (14) Remarks.

The deleted proviso of Rule 133 which was as under:
--

Provided that the Licensing Authority may renew the lease for the whole area or only a part thereof.
--

134. Period of Lease.- (1) The initial term of a lease shall not exceed thirty years.

Rule 134(2) amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

(2) If a lessee has carried out all the working obligations under these rules and implemented the exploitation scheme to the satisfaction of the Licensing Authority and if he has paid all the dues on account of rents, royalty, penalties, damages and surface rent as required under these rules, the Licensing Authority shall grant further renewal of the lease for a period not exceeding 30 years at a time, on such terms and in such form as it may determined:

Original Rule 134(2)

If a lessee has carried out all the working obligations under these rules and implemented the exploitation scheme to the satisfaction of the Licensing Authority and if he has paid all the dues on account of rents, royalty, penalties, damages and surface rent as required under these rules, the Licensing Authority may grant further renewal of the lease for a period not exceeding 30 years at a time, on such terms and in such form as it may determined:

First proviso of Rule 134(2) amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

Provided that the lessee shall apply to the Licensing Authority in writing, in the prescribed Form for renewal not more than two years and not less than one year before the expiry of the term already granted to him. The Licensing Authority shall also issue a registered notice to the concessionaire about the date of expiry of concession at least one year prior to the date of expiry;

Original first proviso of Rule 134(2)
--

Provided that the lessee shall apply to the Licensing Authority in writing, in the prescribed Form for renewal not more than two years and not less than one year before the expiry of the term already granted to him:

2nd proviso of Rule 134(2) amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003

Provided further that the Licensing Authority may condone the delay in submission of the application in appropriate cases, upto a period of six months after imposing penalty under rule 177 and the Appellate Authority may condone the delay upto one year; and

Original 2nd proviso of Rule 134(2)

Provided further that the Licensing Authority may condone the delay in submission of the application in appropriate cases, upto a period of six months after imposing penalty under rule 177.

3rd & 4th proviso of Rule 134(2) omitted vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003 and the original omitted provisos were as under.-

Provided further that a lessee having applied for the grant of renewal of the lease under these rules shall have a right to work in the area till the request has been accepted or refused.

Provided further that the Licensing Authority may renew the lease for the whole area or only a part thereof, in case of renewal over part of the area, the balance area shall be leased out under rule 187.

135. Yearly dead rent.- The lessee shall pay a fixed half yearly dead rent in advance on the first day of January and the first day of July each year and a proportionate advance dead rent for the broken period, if any, at the commencement or termination of the lease, at such rate as is notified by the Government from time to time:

Provided that the lessee shall pay either royalty or the dead rent, whichever is higher.

136. Submission of development scheme.-- (1) An applicant for grant of a lease or its renewal shall also submit, alongwith the application, a development scheme for the approval of the Licensing Authority. The scheme shall be prepared and authenticated by a qualified Mining Engineer.

(2) The development scheme shall, inter alia, include:

- i) in case the applicant already holds a license for the area for which he makes an application for a lease, detailed account of the work done during the prospecting period, geological description of the major deposits alongwith a detailed geological plan of the area on a scale as prescribed by the Licensing Authority from time to time;
- ii) a detailed plan of the area on a scale as prescribed by the Licensing Authority from time to time showing its location, outcrop, topography, existing / proposed mines and other infrastructures;
- iii) location and description of the major deposit;
- iv) proved and probable reserves;
- v) planned minimum rate of production;
- vi) method of mining, including machinery and equipment to be used;
- vii) technical personnel to be employed at various stages of development;
- viii) details of the roads and other surface as well as underground construction such as stores and lamps rooms, workshops, beneficiation and mineral dressing plants, office and residential accommodation and facilities for staff and labour to be provided;
- ix) time schedule for all the work involved; and
- x) estimated phased expenditure on the scheme with detailed break up of cost.

(3) The applicant shall, where necessary, furnish plans or sections to illustrate, justify and amplify the development scheme.

137. Approval of development scheme.- (1) The Licensing Authority may subject to such modifications as may be deemed necessary approve the development scheme provisionally, within a period of three months from the date of submission of the development scheme. The development scheme shall be implemented through a phase-wise programme of development approved by the Licensing Authority.

(2) If the Development Scheme is rejected, the Licensing Authority shall communicate to the applicant the reasons for such rejection. The applicant shall within two months of the receipt of such communication, submit a revised scheme to the Licensing Authority failing which the right of the applicant for the grant of the lease shall lapse.

(3) On a request to be made in writing by the lessee, the development scheme may be prepared by the Licensing Authority itself or through a Mining Consultant and charge a fee as determined by the Licensing Authority from the lessee for preparation of the scheme.

Provided that the Licensing Authority may register mining consultant for a period of five years on the payment of fee and further renew in the manner prescribed by it. On proof of misconduct of Mining Consultant, the Licensing Authority may impose penalty under rule 177 and on persistent violation may cancel the registration of that Mining Consultant.

Provided further that before such communication, the Mining Consultant shall be given an opportunity to explain his position and will be heard in person, if he so desires.

1st proviso was added and 2nd proviso of Rule 138 amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003:

138. Failure to act according to the development scheme.- If at any time but not less than six months after the grant of the lease, or its renewal it is found that the lessee is not working in accordance with the approved development scheme, the Licensing Authority may impose penalty under rule 177 and shall direct the lessee in writing to remedy the violations within six months:

Provided that if lessee seeks revision of Development Scheme giving cogent reasons, the Licensing Authority may revise the Phased Program of Development; and

Provided further that if a lessee fails to remedy the violations without cogent reasons within the time limit fixed by the Licensing Authority, the lease may be cancelled:

Original 2nd proviso of Rule 138
--

Provided that if a lessee fails to remedy the violations without cogent reasons within the time limit fixed by the Licensing Authority, the lease may be cancelled:

Provided further that before such cancellation, the lessee shall be given an opportunity to explain his position and shall be heard in person, if he so desires.

139. Keeping development schemes at mines.- The lessee shall at all times keep a copy of the approved development scheme and latest working plans at the site.

140. Commencement of operations.- (1) Unless the Licensing Authority, for sufficient reasons otherwise directs, the lessee shall commence operations from the date of the communication of the approval of the Development Scheme to him.

(2) The lessee shall carry out operations in a skilful and workman like manner and in accordance with the approved development scheme.

Explanation.- It shall amount to non-fulfillment of working obligations and a breach of this condition, if the lessee, without sufficient cause, fails to produce enough minerals so as to earn royalty at least equal to the dead rent within one year of the commencement of the operations.

IV - MISCELLANEOUS

141. Royalty.- (1) A licensee or a lessee shall, on the first day of the month of January and July each year, pay royalty at such rate or in any manner as prescribed by the Government from time to time on all minerals produced and carried away.

(2) In case of non payment of rent and royalty dues within the grace period of two months, a penalty at the rate of one percent of the outstanding dues for the delay of every month or part thereof shall be charged from the date the payment became due.

142. Compensation.- A licensee or a lessee shall pay such compensation as may be assessed by the authority concerned in accordance with the law for the time being in force for all damage, injury or disturbance which may be done by him in exercise of the powers granted by the license or the lease and shall indemnify the Licensing Authority against all claims which may be made by third parties in respect of any such damage, injury or disturbance. In case of dispute the matter shall be referred to the Licensing Authority for a final decision.

Rule 143(1)&(2) amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

143. Surface rent.- (1) A licensee or lessee shall pay, for all Government land which he may use or occupy superficially for the purposes of the operations conducted under the license or the lease, a surface rent and water-rates assessable under the revenue or any other law or rules in the district in which the land is situated:

Original Rule 143(1)

Surface rent.- (1) A licensee or lessee shall pay, for all Government land which he may use or occupy superficially for the purposes of the operations conducted under the license or the lease, a surface rent and water-rates **at the rate** assessable under the revenue or any other law or rules in the district in which the land is situated:

Provided that if no such rent is assessable under the existing law, the rent and the water rate may be fixed by the Licensing Authority.

(2) If the land belongs to a private person, a lessee or a licensee shall pay surface rent to the owner of the area for the land actually used or occupied superficially at such rate and in such manner as may be mutually agreed upon between the lessee and the landowner and in case of disagreement between them, at such rate and in such manner as may be determined by the Licensing Authority by taking into account produce unit of the area:

Original Rule 143(2)

143(2) If the land belongs to a private person, a lessee or a licensee shall pay surface rent to the owner of the area for the land actually used or occupied superficially at such rate and in such manner as may be mutually agreed upon between the lessee and the landowner and in case of disagreement between them, at such rate and in such manner as may be determined by the Licensing Authority:

Provided that before proceeding under this rule, the Licensing Authority shall give the parties reasonable opportunity of being heard.

Sub rule (3) of Rule 143 was added vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

(3) If no such rent is available under the laws of the district in which the land is situated, the rent may be fixed by the Licensing Authority subject to a minimum of Rs.200/- per acre.

144. Not to cut or injure any tree.- A licensee or a lessee shall not cut or injure any tree on Government land or on reserved forests without the prior permission in writing of the Licensing Authority or of such officer or officers as the Government may authorise in this behalf.

145. Operation in the reserved and Protected forests.- (1) All operations conducted under these rules within a reserved or protected forest shall be subject to such conditions as the Government may, from time to time, by a general or a special order, prescribe.

(2) It shall be a condition of every license or lease granted under these rules that before the commencement of prospecting or mining operations within a reserved or protected forest, 30 days notice shall be given to the Forest Officer concerned of the intention to commence operations.

(3) The operations shall be conducted subject to such precautions regarding prevention of fire and conservation of forest as the licensee or the lessee may be required, from time to time.

146. Limits of boundaries.- The boundaries of the area covered by a license or a lease shall run vertically down-wards below the surface towards the centre of the earth.

147. Demarcation of area.- (1) A licensee or a lessee shall, within sixty days of the issue of the license or a lease, cause the granted area to be demarcated on ground according to the survey data and submit a certificate on the prescribed form signed by a Registered Surveyor of having carried out the said boundary demarcation.

(2) On receipt of the certificate referred in sub-rule (1), the Licensing Authority may cause boundary demarcation to be checked and corrected.

(3) A licensee or a lessee may get his area demarcated officially, after paying such fee as may be notified by the Licensing Authority from time to time.

(4) A licensee or a lessee shall not commence prospecting or mining operations unless he has submitted the demarcation certificate to the Licensing Authority.

(5) A boundary dispute in respect of the licensed or leased area, shall be referred to Licensing Authority whose decision shall be final.

148. Boundary marks.- The licensee or the lessee shall, at his own expense, erect and at all times maintain boundary marks and pillars standing not less than one meter above the surface of the ground and being not less than one meter square or in diameter at the base at every angle or corner of boundary lines to be fixed according to the demarcation under rule 147.

149. Not to construct buildings upon any public place, etc.- A licensee or a lessee shall not erect any building or carry on any surface operation upon any public recreation grounds, grave-yards, place held sacred by any class of persons or any house, village site, or public road or any other place which the Government or the Licensing Authority may specify in this behalf.

150. Not to work within 100 meters from any railway line, etc.- A licensee or a lessee shall not carry on or permit to be carried on any prospecting or mining operations at or upto any point within a distance of 100 meters from any railway line, reservoir, canal, power line, gas pipeline or other public works, or building or place of archaeological importance except with the previous permission of the Government and in accordance with such conditions as may be imposed.

151. Distance from boundaries.- No prospecting or mining operations shall, except with the prior consent in writing of the Licensing Authority, be carried on by the licensee or the lessee in or under the licensed or leased area at or to any point within a distance of 50 metres from the boundaries of the area.

152. Weighing machine.- A Licensee or a lessee shall provide at or near the mine or quarry a properly constructed and correct weighing machine or other suitable means for determining the weight or quantity of the mineral produced.

153. Keeping of record.- (1) A Licensee or a lessee shall, at all times, keep in the form prescribed by the Licensing Authority, complete record at the mine premises, showing the quantity of the minerals obtained and despatched from the mines on the authenticated register issued by it or its authorized representative. The Licensee or the lessee shall also maintain the record showing the number of mines and persons employed therein and complete plans of the mines. The minerals excavated from any licensed or leased area shall be despatched from the area on the prescribed despatch slips duly authenticated by the Licensing Authority or its authorized representative:

Provided that despatch slips shall clearly indicate the date, license/lease No., name of buyer, vehicle No., quantity of mineral and its destination:

Provided further that any vehicle/carrier carrying mineral without prescribed despatch slip duly authenticated by the Licensing Authority or its authorized representative shall be considered as under reported production and shall be dealt with accordingly.

(2) A licensee or a lessee shall allow the officer so authorised by the Licensing Authority in that behalf to examine such record and plans, to take extract, or if necessary, collect record for scrutiny on giving a receipt.

(3) If a licensee or a lessee fails to produce the record at the mine premises at the time of inspection, he shall render himself liable to a penalty under rule 177 to be imposed by the Licensing Authority.

Provided that the Licensing Authority before imposing penalty, shall afford the licensee or the lessee an opportunity of being heard.

154. Submission of production returns- A licensee or a lessee shall send monthly returns of production and despatch of mineral to the Licensing Authority in the prescribed form on or before the 1st day of each succeeding month. In case there is no production of mineral in any month, a 'NIL' report shall be submitted with reasons therefore.

155. Submission of periodical return.- A licensee or a lessee shall be required to abide by all instructions issued by the Licensing Authority from time to time regarding the maintenance of record of production and system of despatch of mineral from the licensed or leased area, and

- a) submit at the end of every year balance sheet account audited by a qualified and registered Auditor and such other information and periodical returns as may from time to time be prescribed by the Licensing Authority;
- (b) submit statistical data, geological reports, including interpretation, mineral analysis, photographs, ore logs tests and such information as may be required by the Licensing Authority or a statistical organization in such form as may be prescribed; and
- (c) meet any target of production fixed by the Licensing Authority based on the off-take of mineral.

156. Inspection.- A licensee or a lessee shall provide the Licensing Authority, or an officer authorised by the Licensing Authority in this behalf, all reasonable facilities to enter upon the mine premises including underground workings for purposes of inspection of mines and shall also make available all records at the mines and else-where for carrying out survey, measurement, examination or enquiry about any matter, ancillary or incidental to the matters set out in these rules.

157. Strengthening and supporting mines.- A licensee or a lessee shall strengthen and support to the satisfaction of the Licensing Authority, whole or any part of the mine when, in its opinion such strengthening or support is needed for the conservation of the mineral and safety of personnel or any railway, reservoir, canal or any other public work or any building.

Rule 158(2) omitted & Rule 158(3) renumbered as (2) vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003

158. Power to assess and claim compensation for damage to mineral property.- (1) In the event of any damage caused to the mineral property due to un-scientific working, lack of supervision, negligence or any other omission or commission on the part of a licensee or a lessee, the Licensing Authority shall assess the extent of the damage and the compensation payable therefore by the licensee or the lessee:

Provided that before so doing, the Licensing Authority shall afford the licensee or the lessee a fair opportunity of being heard and explain his position.

(2) The licensee or the lessee shall be liable to pay the compensation so assessed in the same manner as arrears of rents and royalties are payable.

Original Rule 158(2) [Omitted]

(2) The decision of the Licensing Authority under this rule shall be final.

Rule 159 amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003

159. Non-conservational mining activities.- (1) If, on inspection or otherwise, the Licensing Authority is of the opinion that a licensee or a lessee is working in a manner

contrary to the conservation of mineral property, the Licensing Authority may require the licensee or the lessee in writing to remove the defects or amend the method of mining or prospecting within a period to be determined by the Licensing Authority subject to the condition that the period shall not exceed six months in any case.

Original Rule 159(1)

Non-conservational mining activities.- (1) If, on inspection or otherwise, the Licensing Authority is of the opinion that a licensee or a lessee is working in a manner contrary to the conservation of mineral property, the Licensing Authority may require the licensee or the lessee in writing to remove the defects or amend the method of mining or prospecting within a period to be determined by the Licensing Authority subject to the condition that the period shall not exceed **two** months in any case.

(2) If the licensee or the lessee fails to comply with the instructions within the specified period, the Licensing Authority shall have the power to stop the work of the extraction of mineral in whole or in any part of the area demised under license or lease till such time the defects are removed to the satisfaction of the Licensing Authority.

Original Rule 159(2)

(2) If the licensee or the lessee fails to comply with the instructions within the specified period, the Licensing Authority shall have the work of the extraction of mineral in whole or in any part of the area demised under license or lease till such time the defects are removed to the satisfaction of the Licensing Authority.

(3) If the defects are not removed or the method of mining is not amended to the satisfaction of the Licensing Authority within two months from the date of the stoppage of work, the license or the lease may be cancelled after providing an opportunity of personal hearing to the licensee or the lessee.

Original Rule 159(3)

(3) If the defects are not removed or the method of mining is not amended to the satisfaction of the Licensing Authority within two months from the date of the stoppage of work, the license or the lease may be cancelled.

Deleted Rule 159(4)

(4) If prior approval of the Licensing Authority is not obtained, a licensee or a lessee shall not depillar or abandon mines unless depillaring is the part of the approved scheme.

160. Under-reporting of mineral production.- (1) If as a result of inspection of the mines or areas demised under the license or the lease or otherwise it is discovered to the satisfaction of the Licensing Authority that the licensee or the lessee has under-reported mineral production, the Licensing Authority shall charge royally upto ten times the notified rate, on the quantity of mineral under-reported by the licensee or the lessee, forfeit the security deposit and may also cancel the license or lease on the merits of the case:

Provided that no action under this rule shall be taken without giving the licensee or the lessee an opportunity of being heard.

(2) An entry in the record of the licensee or lessee shall be made regarding under-reporting and shall be exhibited at the time of the renewal of the license or the lease.

161. Employment of technical personnel.- A licensee or a lessee shall employ such technical personnel as is required by Licensing Authority.

162. Training.- A licensee or a lessee shall when asked to do so by the Licensing Authority, arrange and provide facilities for training to students of any Mining Engineering Institution or to any other person associated with the profession of Engineering, Geology or other related science.

163. Access to other licensee or lessee both on surface and underground.- A licensee or a lessee shall allow existing and future license or lease holders of any area which is comprised in or adjoins or is reached by the land held by the licensee or the lessee all reasonable facilities of surface or underground access thereto, on the terms and conditions as may be determined by the Licensing Authority.

164. Discovery of other minerals.- A licensee or a lessee shall, without delay, report to the Licensing Authority the discovery on or within any of the lands or mines demised under the license or the lease of any mineral not specified in the license or the lease, but he shall not unless a fresh license or lease in respect of the mineral so discovered is granted to him under these rules, have any right to that mineral.

165. Pre-emption.- The government shall at all times have the right of pre-emption of the minerals lying upon the land in respect of which it license or a lease has been granted, or elsewhere under the control of the licensee or the lessee:

Provided that a fair price as determined by the Licensing Authority for all minerals taken in pre-emption shall be paid to the licensee or the lessee.

166. Meeting the internal requirements of Pakistan.- The Government shall have the right to require a licensee or a lessee.-

- (a) to meet the internal requirements of Pakistan to the satisfaction of the Government before exporting any mineral or its products to other countries;
- (b) to associate Pakistan capital subject to any law for the time being in force to the extent of 51 % of all classes of capital and debentures issued by him from time to time; and
- (c) to employ nationals of Pakistan in his organization in all grades and in all branches including technical and administrative personnel and to arrange for the training in Pakistan or abroad of the nationals of Pakistan to fill up these aforesaid appointments. The number of Pakistan nationals to be employed or trained will be determined in consultation with the Government.

167. To ascertain and verify the value of precious stones, etc.- The Licensing Authority may from time to time ascertain and verify in such manner as it may deem fit, the value of all precious stones and other minerals, ore and metals dressed or extracted by a Licensee or a Lessee for the purpose of ascertaining the royalty payable under these rules.

168. Change in the constitution of the licensee or lessee.- A licensee or a lessee may issue any fresh capital or make any change in its constitution which shall be intimated in writing within 30 days to the Licensing Authority, which may finally confirm it:

Provided that if more than 50% transfer of capital/share is involved, the case shall be dealt in accordance with rule 108 of these rules.

169. Exclusion of lands for public purposes.- If an area or a portion thereof held under a license or a lease is required at any time for any public purpose, the licensee or the lessee shall forthwith release to the Licensing Authority such area and to such extent as is required by the Government under such terms and conditions as may be determined by the Licensing Authority:

Provided that where any area excluded as above becomes subsequently available for the purpose of grant under license or lease, the previous licensee or the lessee shall have prior right over such area if his original license or lease subsists.

170. Report of accident, etc.- A licensee or a lessee shall report immediately to the Licensing Authority any incident of fire, explosion, inundation or roof-fall causing damage to mineral property or loss of human life. The Licensing Authority may direct an enquiry to assess the loss caused to mineral property and reasons thereof. In case, it is

proved to the satisfaction of the Licensing Authority that the accident had taken place due to the negligence of the licensee or the lessee, action may be taken under these rules.

171. Sub-letting.- (1) No licensee or lessee shall sublet the mine for the purpose of extraction of the mineral.

(2) The license or the lease shall be cancelled by the Licensing Authority, if the provision of sub-rule (1) is violated:

Provided that before proceeding under sub-rule (1) the licensee or the lessee shall be given an opportunity of being heard.

Explanation.- Sub-letting includes such act on the part of a licensee or a lessee whereby the liberties, powers, privileges and obligations under the license or lease as the case may be are transferred to a third party in respect of the area demised under the license.

172. Taking possession of works, etc. in time of war or national emergency.- (1) In the event of a state of war or national emergency, the Government may take control of works, plant and premises under the license or the lease.

(2) In such an event, the licensee or the lessee shall conform to and obey all directions issued by the Licensing Authority or the Government in this behalf.

(3) A fair compensation as determined by the Licensing Authority shall be paid to the licensee or the lessee.

173. Licensee or lessee ceasing to be national of Pakistan.- (1) If a licensee or a lessee ceases to be a national of Pakistan or if a company ceases to be incorporated in Pakistan, he shall within a period of one month inform the Licensing Authority and apply to him for its consent to assignment of the rights granted by the license or the lease under these rules.

(2) In the event of the licensee or the lessee failing to obtain such consent, the Licensing Authority may without prejudice to any obligation or liability imposed by, or incurred under these rules, revoke the license or the lease.

174. Unauthorized mining.- (1) If any person starts prospecting or mining any mineral outside the area granted to him under a license or a lease or in any area for which he has not obtained a license or a lease or if any person obstructs free access of a licensee or a lessee to the licensed or leased area or directly or indirectly tries to interfere with the prospecting or mining operations by a licensee or a lessee, he shall be punishable by a court of competent jurisdiction, with imprisonment for a term which may extend to three years or with fine upto Rs.50,000 or with both.

(2) Notwithstanding anything contained in sub-rule (1), the Licensing Authority shall have the power to stop unauthorized work in such manner as it may deem fit and recover in addition to the penalty, the pit-mouth value of the mineral so excavated from the person responsible for such unauthorised work.

175. Registration of Surveyors.- (1) The Licensing Authority shall register and maintain a list of suitably qualified Mine Surveyors who, in its opinion, are competent to carry out boundary demarcation, survey both underground and above-ground and to prepare plans as are required under these rules on the rates of fee fixed by the Licensing Authority from time to time:

Provided that the Licensing Authority may register such Mine Surveyors initially for a period of 5 years on the payment of fee and further renew it in the manner prescribed by it.

(2) A boundary demarcation certificate required under rule 147 shall be accepted by the Licensing Authority only if the demarcation has been carried out by a registered Mine Surveyor and the prescribed certificate is signed by him.

(3) If at any time the Licensing Authority has reasons to believe that the registered Surveyor has committed gross negligence or misconduct in the discharge of his

duty under these rules, it may impose a penalty under rule 177 and may also, subject to notice, cancel the registration of the Surveyor:

Provided that before such cancellation, the mining surveyor shall be given an opportunity to explain his position and shall be heard in person, if he so desires.

(4) A surveyor referred to in sub-rule (1) shall have such qualifications, as may from time to time be prescribed by the Licensing Authority by Notification.

(5) A surveyor who wishes to be registered under this rule shall make application to the Licensing Authority and shall also pay such registration fee as is prescribed by it.

176. Persistent violation of rules and conditions.- If a licensee or a lessee persists in violating any of the terms and conditions of the license or the lease or the provisions of these rules, and fails to remedy the violation within such period as may be fixed by the Licensing Authority, the license or the lease may, subject to notice be cancelled.

177. Penalties.- Notwithstanding any other penalty provided by these rules, the Licensing Authority or an officer so authorized by the Government may impose penalty on a licensee or a lessee for violation of these rules as notified by the Government from time to time.

178. Power of distress.- If any dues payable under a license or a lease are not paid within six months next after the due date, the Licensing Authority may, subject to notice determine the license or lease and take possession of the premises comprised therein.

179. Delivery of mines, etc., in good condition.- On the expiry, surrender or termination of a license or a lease, the licensee or the lessee, as the case may be, shall deliver to the Licensing Authority, the demised premises and all mines, if any, in a proper and workable state save in respect or any working as to which the Licensing Authority may have earlier sanctioned abandonment in which case he shall securely plug any bores and fill up or fence any holes or excavations that he may have made in the land to such extent as the Licensing Authority may require. The lessee or the licensee shall also to like extent restore the surface of the land and buildings and other structures not belonging to him which he may have damaged in the course of prospecting or mining.

180. Force majeure.- Failure on the part of a licensee or a lessee to fulfill any of the terms and conditions of these rules shall not give the Licensing Authority or the Government any claim against the licensee or the lessee or be deemed a breach of the condition of the license or the lease in so far as such failure arises from force majeure.

Explanation.- In this rule, the expression 'Force Majeure' means the act of God, war, insurrection, riot, civil commotion, tide, storm, tidal wave, flood, lightning, fire, earthquake and any other happening which the licensee or the lessee could not reasonably prevent or control.

181. Black listing.- (1) A person, a firm or a company may be black listed by the Licensing Authority on account of serious and repeated violations of these rules.

(2) The licensee or lessee held by such person, firm or company shall stand terminated and such person, firm, or company shall be debarred from obtaining any further concession.

(3) In case such person or any partner of such firm or a Director of such company forms a new firm or becomes a Director of another company it shall render such other firm or company ineligible to receive a mining concession.

182. Establishment of check posts.- (1) The Licensing Authority may, for the purpose of verification or collection of royalty on minerals despatched from the licensed or leased areas, establish check posts at suitable places, authorize any official to check the mineral in transit and take such other measures with regard to recovery of royalty as it may deem fit.

(2) Notwithstanding the provision of rule 141 the Licensing Authority may order the collection of royalty on minerals despatched from the licensed or leased area or areas,

as the case may be, through sealed tenders or open auction on the terms and conditions determined by it.

183. Forfeiture of plants etc.- If any machinery, building structure, mineral or other property belonging to the licensee or the lessee is not removed by him from the licensed or leased area within six months after the date of expiry or determination of the license or the lease, the Licensing Authority may enter upon the said land, take possession of all the machinery, building structures, mineral or any other property belonging to the licensee or the lessee and may dispose it off in any manner as it may deem fit.

184. Unit development and beneficiation of the minerals. - The Licensing Authority shall have the right to require the licensee or the lessee to:

- (a) merge his uneconomic holding under a license or a lease with the holding of another licensee or lessee, as the case may be, for the purpose of joint exploitation on the terms and conditions to be mutually decided by the licensees or the lessees and in case of disagreement as the Licensing Authority may decide; and
- (b) grade, beneficiate, refine or concentrate the mineral to a marketable standard.

Rule 185 substituted vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

185. Appeal.- (1) In case of small scales mining, if a person is aggrieved by an order of the Licensing Authority passed under these rules he may, within thirty days of the communication of the impugned order and payment of such fee as may, from time to time, be prescribed by the Government, prefer an appeal to the Director General, Mines & Minerals, Punjab.

(2) The Director General, Mines & Minerals, Punjab may, pending the decision of the appeal grant a stay order;

Provided that an application for stay order in respect of Government dues shall be accompanied by pay order of 10% of the disputed amount in favour of the Director General, Mines & Minerals, Punjab in his official capacity failing which the application shall stand dismissed.

(3) If the appeal in which a stay order had been granted is finally rejected and the Director General, Mines & Minerals, Punjab is of the view that the appeal was preferred on frivolous grounds or the stay order was obtained by deceit or fraud on the part of the appellant, it may, while deciding the appeal, impose a penalty on the appellant up to 10% of the bid money or the disputed amount, as the case may be.

(4) The amount deposited under sub rule (2) shall be adjusted towards the penalty imposed under sub rule (3) and the remaining amount, if any, may be adjusted towards the satisfaction of the Government dues and the balance, if any, shall be refunded to the appellant.

Original Rule 185
<p>185. Appeal.- (1) If a person is aggrieved by an order of the Licensing Authority passed under these rules, he may, within thirty days of the communication of the impugned order and payment of such, fee as may from time to time be prescribed by the Government, prefer an appeal to the Government in the appropriate department.</p> <p>(2) The decision of the Government on such appeal shall be final.</p> <p>(3) The Government, while hearing the appeal under sub-rule (1) may, if it so considers necessary in the interest of justice, grant a stay order:</p> <p>Provided that no such order shall be passed in respect of Government dues unless the appellant deposits 25% of the disputed amount with the Licensing Authority.</p> <p>(4) If the appeal in which a stay order had been granted is finally rejected and the Appellate Authority is of the view that the appeal was preferred on frivolous grounds or the stay order was obtained by deceit or fraud on the part of the appellant,</p>

it may while deciding the appeal, impose a penalty on the appellant upto 5% of the disputed amount.

(5) The amount deposited under sub-rule(3) would first be adjusted towards the penalty imposed under sub-rule (4). The remaining amount, if any, may be adjusted towards the satisfaction of the Government dues, and the balance, if any, may be refunded to the appellant.

Rule 185(A) substituted vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

185. A. Revision.- (1) Any person aggrieved by an order of the Director General, Mines & Minerals, Punjab may, on payment of such fee as may be prescribed by the Government, file a revision petition with the Government within a period of thirty days from the communication to him of the impugned order.

Provided that the Government may condone the delay in filing the revision petition upto two months in deserving cases.

(2) The Government may, at any time, call for the record of the any proceedings under these rules to examine the validity and legality of the order or action and may pass such orders as it may deem necessary.

(3) The Government may pending the decision of revision petition grant a stay order;

Provided that an application for stay order in respect of Government dues shall be accompanied by pay order of 10% of the disputed amount in favour of the Director General, Mines & Minerals, Punjab in his official capacity failing which the application shall stand dismissed.

Original Rule 185(A)

185-A. Revision.- The Government may, at any time, call for the record or proceedings under these rules to examine the validity and legality of any action and may pass such orders as it may deem necessary:

Provided that if a person is to be adversely affected no such order shall be passed without giving that person an opportunity of being heard.

186. Outstanding dues payable even after expiry of a license or lease.- On the surrender, expiry or determination of a license or la lease, the licensee or the lessee, as the case may be, shall be responsible for payment of all outstanding dues and other charges which, in the event of non-payment, shall be recoverable as arrears of land revenue.

Rule 187 amended vide Notification No. V(I&MD)3-4/2012/1191dated 20.03.2013.

187. Auction of area with proved mineral reserves.- (1) Where a mineral is exposed to surface and does not require exploration and the magnitude of investment required for exploration, in the opinion of the Government, is low, the Government may declare the mineral as 'proven mineral'.

(2) If a mineral is declared as proven mineral under sub-rule (1) or the license or lease of an area containing proven mineral reserves is cancelled, the Licensing Authority may lease out the area by inviting sealed tenders on such terms and conditions as the Licensing Authority may determine.

(3) If an area does not fetch a reasonable bid in five consecutive tenders or auctions, the Licensing Authority may delete the areas from the list of tenders or auction.

Explanation: The entire areas covered by a previous license or lease shall be treated as the area containing proven mineral, if the ex-licensee or lessee has reported production of the mineral through mining or has proved the area through drilling of borehole or boreholes."

Original Rule 187

187. Auction of area with proved mineral reserves.- In case of cancellation of license or lease in respect of an area containing proved mineral reserves the Licensing Authority may lease out the area by inviting sealed tenders on such terms and

conditions as may be prescribed by it:

Provided that if an area does not fetch a reasonable bid in five consecutive tenders or auctions the area may be deleted from the list of tender or auction.

Explanation. The entire area covered by a previous license or a lease shall be treated as proved, in case the ex-licensee or lessee had reported production of the mineral through mining or proved the area through drilling of borehole or boreholes, as the case may be.

188. Membership of an association.- The Licensing Authority may require a licensee or a lessee to become a member of an association recognized by it as representing the interests of the Private Sector or Mining Industry as a whole.

189. Constitution of Board.- Government may, by a notification constitute a Board comprising official and non-official members and assign the functions and duties regarding the development of mining areas, provisions of infrastructure facilities and other ancillary matters connected therewith.

190. Exemption.- The Government may, by notification declare that any area or mineral or any class or description thereof shall be exempted from all or any of the provisions of these rules or that such provisions shall apply thereto with such modifications or subject to such conditions as may be specified in the order.

PART - 4 MINOR MINERALS

Rule 191 amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

191. Mining of Minor Minerals.- There shall be no mining of minor minerals except under a lease granted in accordance with these rules. Notwithstanding anything contained in these rules a lease for minor minerals to a Government Department or a public sector organization and for limestone and dolomite to a large size Industrial Undertaking manufacturing cement or sodium carbonate or sodium bicarbonate or other product as may be specified by the Government, shall be granted and governed by rules relating to Large and Small Scale Mining under these rules.

Original Rule 191

191. Mining of Minor Minerals.- There shall be no mining of minor minerals except under a lease granted in accordance with these rules. Notwithstanding anything contained in these rules a lease for minor minerals to a Government Department or a public sector organization and for limestone and dolomite to a large size Industrial Undertaking manufacturing cement or sodium carbonate or sodium bicarbonate or other product as may be specified by the Government, shall be granted and governed by rules relating to Small Scale Mining under these rules.

192. Period of Lease.- The period of a lease shall not exceed five years.

193. Mode of grant.- A lease shall be granted on "as is, where is basis" through open auction conducting by a committee constituted under these rules. The area granted under a mining lease shall not be substituted in any case.

194. Constitution of an Auction Committee.- (1) Government may, by notification, constitute an Auction Committee in each District, to conduct auction of leases for minor minerals.

(2) An officer in BS-17 or above of the Directorate General, Mines and Minerals, Punjab shall act as Secretary of the Auction Committee, hereinafter called "Secretary".

(3) Three members including the Chairman or his authorized representative shall constitute the quorum of the Committee:

195. Schedule of Auction.- The Secretary shall, for the purpose of general information, cause to be prepared and maintained a schedule, alongwith necessary plans based on Survey of Pakistan maps of the area in a district where minor minerals are

situated and shall also cause a tentative programme for auction formulated and maintained in his office.

Following new rule 195-A was inserted vide notification No. SOT(M&M)2-69/2009 dated 28.01.2010.

195-A. Schedule of rates. (1) The Government may, by notification, fix the schedule of rates for minor minerals in a District.

(2) A lessee who contravenes or fails to comply with the schedule of rates for minor minerals shall be punishable with imprisonment which may extend to ten days or with fine which may extend to fifty thousand rupees or with both.

(3) Notwithstanding anything contained in sub-rule (2), the licensing authority may also proceed to cancel the mining lease in accordance with rules.

196. Shape of the area.- Each area in respect of which a lease is granted shall, as far as practicable, be in a compact shape and shall be identified by well marked permanent physical boundaries or by straight lines.

197. Size of the area.- No lease shall be granted in respect of an area exceeding 500 acres; provided that a lease for gravel or ordinary sand may be granted for larger area with prior permission of the Government.

198. Public notice of Auction.- For the general information of the public, the Licensing Authority shall, through a public notice, advertise at least 15 days prior to the date of auction-

- (i) the location of the area in respect of which the lease is proposed to be granted.
- (ii) the details of the auction programme specifying the date, time and place where the auction is to take place; and
- (iii) the terms and conditions of the auction.

199. Registration of applicant. (1) A person desirous of taking part in an auction shall submit, by hand, an application complete in all respects to the Secretary or to an officer authorised by him in this behalf in Form as may be prescribed by the Licensing Authority, at least one day prior to the auction.

(2) Every application under sub-rule (1) shall be accompanied by-

- (i) earnest money as prescribed by the Government; and
- (ii) a copy of-
 - (a) the National Identity Card of the applicant;
 - (b) income tax registration certificate;
 - (c) the duly registered partnership deed where the applicant is a partnership firm; and
 - (d) the Articles and Memorandum of Association alongwith evidence of paid up capital, if the applicant is a company.

(3) If an application is not submitted in accordance with provisions of sub-rules (1) and (2) it shall be rejected and the applicant shall not be eligible to take part in the auction.

200. Acknowledgement of applications.- The officer receiving the application shall record thereon the date and time of its receipt and deliver to the applicant a registration slip stating the date and time of the auction.

201. Powers to accept or reject a bid.- The Licensing Authority shall have the discretion to accept or reject the highest bid received in an auction with out assigning any reason.

202. Refund of earnest money.- The earnest money deposited under rule 199 may be refunded after the auction except to highest bidder whose earnest money shall be refunded only after acceptance or rejection of the bid by the Licensing Authority:

Provided that the earnest money deposited by the highest bidder shall be forfeited if he fails to deposit the required part of the bid at the time of auction.

203. Payment of bid money.- The highest bidder shall deposit the balance of the bid money in the manner and within the time prescribed by the Government failing which the

earnest money shall stand forfeited and the next highest bid may be treated as the highest bid.

204. Refund of bid money.- In case the highest bid is rejected by the Licensing Authority, the bid money deposited by the bidder shall be refunded.

205. Security deposit.- (1) On approval of the bid, the highest bidder shall deposit 25% of the bid money as security within a period of fifteen days from the date of issue of the letter of approval in the manner prescribed by the Licensing Authority.

(2) If the highest bidder fails to deposit the security amount within the time limit given under sub rule (1), the bid money and the earnest money already deposited by him shall be forfeited, his bid rejected and next highest bid may be treated as the highest bid.

(3) On the expiry or termination of the lease, as the case may be, the security deposit shall be refunded to the lessee after making such deductions on account of outstanding dues, compensation for surface damage, penalty or otherwise as the Licensing Authority may order.

206. Grant of Lease.- (1) After the security deposit is made the Secretary shall issue an allotment letter whereupon the lease shall stand granted to the highest bidder.

(2) The allotment letter shall state the terms and conditions of the lease.

207. Payment of instalments.- (1) The lessee shall pay the instalments, if any, of the bid money in advance on the dates stated in the allotment letter and submit the original Treasury Challan to the Secretary.

(2) In case the Lessee fails to pay any instalment by the due date, the Licensing Authority may cancel the lease and through its agent resume the possession of the area.

208. Surface rent.- (1) A lessee shall pay, for all Government land which he may use or occupy superficially for the purpose of the operations conducted under the lease, a surface rent at the rate assessable under the Revenue Law or rules applicable in the district in which the land is situated:

Provided that if no such rent is assessable under the existing law, the rent may be fixed by the Licensing Authority.

(2) If the land belongs to a private person, a lessee shall pay surface rent to the owner of the land actually used or occupied superficially at such rate and in such manner as may be mutually agreed upon between the lessee and the land owner and in case of disagreement between them, at such rate and in such manner as may be determined by the Licensing Authority whose decision shall be final.

209. Acquisition of land.- If, in the opinion of the Licensing Authority, it is necessary to acquire land to provide access to the leased area, it may acquire it under the Land Acquisition Act, 1894.

Rule 210 amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

210. Compensation.- A lessee shall pay such compensation as may be assessed by the authority concerned in accordance with law for the time being in force for such loss, which may be caused as a result of the operations carried on by him under the lease and shall indemnify the Licensing Authority or any officer working on its behalf against all claims which may, be made by third parties in respect of any such damage, injury or disturbance and in case of dispute the matter shall be referred to the Licensing Authority, whose decision shall be final:

Provided that before proceeding under this rule, the Licensing Authority shall give the parties reasonable opportunity of being heard.

Original Rule 210

210. Compensation.- A lessee shall pay such compensation as may be assessed by the authority concerned in accordance with law for the time being in force for such laws, which may be caused as a result of the operations carried on by him under the

lease and shall indemnify the Licensing Authority or any officer working on its behalf against all claims which may, be made by third parties in respect of any such damage, injury or disturbance and in case of dispute the matter shall be referred to the Licensing Authority, whose decision shall be final:

Provided that before proceeding under this rule, the Licensing Authority shall give the parties reasonable opportunity of being heard.

211. Operation in the reserved and protected forests.- (1) All operations conducted under these rules within a reserved or protected forest shall be subject to such conditions as the Licensing Authority may by a general or a special order, prescribe.

(2) It shall be a condition of every lease granted under these rules that before the commencement of mining operations within a reserved or protected forest, a notice shall be given to the Forest Officer concerned of the intention to commence operations.

212. Demarcation of area.- (1) The lessee at his own expense shall, within fifteen days of issue of allotment letter, cause the granted area demarcated on ground according to the survey data and erect and maintain at all times correct/permanent boundary marks and pillars standing not less than 1 meter above the surface of the ground and being not less than ½ meter square or in diameter at the base at every angle or corner of boundary line in case, the lessee fails to erect or maintain the boundary pillar the Licensing Authority or its authorized agent may impose penalty at such rate as prescribed by Government.

(2) The Licensing Authority may demarcate the area officially on payment of such fee by the lessee as prescribed by the Government.

(3) Any boundary dispute, in respect of the leased area, shall be referred to the Licensing Authority, whose decision shall be final.

213. No work within 100 meters from any railway line etc.- A lessee shall not carry on or permit to be carried on any mining operation at or upto any point within a distance of 100 meters from any Railways line, water reservoir, power line, gas pipeline or other public works, or building or place of archaeological importance except with the prior permission, in writing, of the Licensing Authority and in accordance with such conditions as it may impose.

214. Inspection.- A lessee shall provide the Licensing Authority or an officer authorized by it in this behalf, all reasonable facilities to enter upon the leased area for purpose of inspection, survey, measurement or inquiry about any matter relating to the lease and shall make available all records pertaining thereto for examination.

215. Access to other lessees- (1) A lessee shall allow lease holders of any area adjoining or accessible through the land held by the lessee all reasonable facilities of access thereto on the terms and conditions as may be determined by the Licensing Authority.

(2) Failure on the part of the lessee to comply with the terms and conditions determined by the Licensing Authority under sub-rule (1) shall render him liable to penalty as may be prescribed by the Government.

216. Change in the constitution of the lessee.- A lessee shall not make any change in its constitution without prior consent in writing of the Licensing Authority.

217. Exclusion of lands for public purposes.- If an area or a portion thereof held under a lease is required at any time by the Government for any public purpose, the Licensing Authority shall have the powers to withdraw such area without notice and the bid money shall be reduced proportionately.

218. Unauthorized mining.- (1) If any person carries out mining of minor minerals outside the area granted to him under a lease or in any area for which he has not obtained a lease or obstructs free access of a lessee to the leased area or directly or indirectly tries to interfere with the mining operation by a lessee, he shall be punishable by a court of

competent jurisdiction, with imprisonment for a term which may extend to three years or with fine not exceeding Rs.50,000/- or with both.

(2) Notwithstanding sub-rule (1) the Licensing Authority shall have the power to stop unauthorized work in such manner as it may deem fit and recover upto three times the sale price of mineral so excavated from the person responsible for such unauthorized work:

Provided that before proceeding, the person shall be given a reasonable opportunity of being heard.

219. Right of surrender.- A lessee may surrender the mining lease at any time after four months from the date of its grant by giving either two months prior notice in writing to the Licensing Authority or pay proportionate bid money in lieu thereof:

Provided that in case of partial surrender of the lease area, the lessee shall not be entitled to any reduction in the bid money.

220. Assignment.- A lessee shall neither transfer any right of interest under the lease, nor part with the possession of the area or any part thereof, without prior permission, in writing, of the Licensing Authority.

221. Method of making application for assignment.- (1) An application for assignment shall be submitted at least three months before the expiry of lease and shall be accompanied by the fee as prescribed by the Government.

(2) The application shall be presented in person and shall be signed by both the assignee and the assignor before the Licensing Authority or an officer authorized by it in this behalf.

(3) The security deposited by the assignor shall be refunded after receiving fresh security deposit from the assignee on approval of the assignment by the Licensing Authority.

222. Refund of proportionate bid money.- In case a lessee fails to assume possession of the area or work therein due to circumstances beyond his control and informs within a period of fifteen days from the date he first faced the hindrance in this respect and proves it to the satisfaction of the Licensing Authority, it may refund the proportionate bid money to that extent:

Provided that no relief under this rule shall be admissible due to rains or floods in the rivers, streams or of dangerous quarry operations.

223. Removal of buildings, structures etc. on expiry of lease.- (1) On expiry or termination of a lease, the lessee shall hand over the possession of the area to the Licensing Authority or its authorized representative clear of all buildings, structures, machinery, excavated minerals and other things.

(2) In case such buildings, structures, machinery, minerals or other things are not removed within one month from the date of expiry or termination of lease, it shall vest in the Licensing Authority without any right of the lessee for compensation and the Licensing Authority may dispose them off in such manner as it may deem fit.

224. Violation of rules or lease agreement.- (1) Except as otherwise provided in these rules, in case of violation or breach of any rule or any term or condition of the grant of lease, the Licensing Authority shall give a notice to the lessee providing him with an opportunity to remedy the breach within the time specified in the notice.

(2) If the lessee fails to remedy such violation or breach within the specified time, the Licensing Authority may terminate the lease and forfeit the bid money already paid by the lessee.

225. Erection of buildings, etc.- Nobody other than a lessee shall erect any building, structure, machinery or plant within a distance of 100 meters from the foot of a hill in the leased area except with the prior permission, in writing, of the Licensing Authority.

226. Service of letters and notices.- Any letter or notice issued to the lessee or to any person at his postal address by registered post shall, for purpose of these rules, be considered sufficient service.

227. Safe working.- (1) If, on inspection or otherwise, the Licensing Authority is of the opinion that a lessee is working in a manner contrary to the conservation of mineral property or safety of workers or other people, the Licensing Authority may require the lessee, in writing, to remove the defects or amend the method of mining within a period, not exceeding two months, as is determined by the Licensing Authority.

(2) If the lessee fails to comply with the instructions within the specified period, the Licensing Authority shall have the power to stop the work of extraction of minerals in whole or in any part of the area demised under the lease till such time that the defects are removed to the satisfaction of the Licensing Authority and the lessee shall not be entitled to any relief whatsoever on this account.

(3) If the defects are not removed or the method of mining is not amended to the satisfaction of the Licensing Authority within two months from the date of stoppage of work, the lease shall be cancelled and the bid money already paid, shall be forfeited.

228. Re-auction of leased area.- A leased area may be re-auctioned within three months before its expiry but if the auction or the grant of lease is delayed due to certain reasons, the Licensing Authority may extend the period of previous lease upto the date of next grant on payment of proportionate bid money in advance for the extended period:

Provided that any extension beyond a period of six months on this account shall be subject to the approval of Director General, Mines and Minerals, Punjab.

Provided further that extension beyond a total period of one year shall be subject to the approval of the Government.

229. Issuance of despatch slips.- (1) The lessee shall not despatch any mineral from the leased out area without issuing a despatch slip duly signed by him or his authorized representative in the form prescribed by the Licensing Authority.

(2) If a lessee fails to issue proper despatch slips, the Licensing Authority or an officer authorized by it in this behalf may impose a penalty as may be prescribed by the Government.

(3) If a lessee commits repeated violations of this rule, the Licensing Authority may terminate the lease and forfeit the installment or bid money already paid.

230. Mode of payment.- All amounts payable under these rules shall be deposited into a Government Treasury or into any Bank authorized by the Government for the purpose under the Head of Account specified by the Government.

231. Taking over possession of area.- (1) On expiry or earlier termination of a lease, the possession of the area shall be assumed by the Licensing Authority or its authorized representative and entry in this respect shall be made in the record of the Licensing Authority.

(2) Possession of the area shall be considered as validly assumed if entry to this effect is available in the record of the Secretary or the Licensing Authority and an intimation has been sent to the concerned revenue officer of the district.

232. Outstanding dues payable even after expiry of a lease.- (1) The lessee shall be responsible for payment of all outstanding dues and other charges even after the surrender, expiry or termination of the lease.

(2) In the event of non payment of dues by the lessee or any other person under these rules, the same shall be recovered as arrears of land revenue.

233. Black listing.- (1) A person may be black listed by the Licensing Authority on account of serious or repeated violations of these rules.

(2) The lease held by such person shall stand terminated and he shall be debarred from taking part in all future auctions.

Rule 234(1) amended vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

234. Appeal.- (1) In case of minor minerals, if a person is aggrieved by an order of the Licensing Authority passed under these rules, he may, within thirty days of the communication of the impugned order and on payment of such fee as may be prescribed by the Government, prefer an appeal to the Director General, Mines and Minerals, Punjab.

Original Rule 234(1)

234. Appeal.- (1) If a person is aggrieved by an order of the Licensing Authority passed under these rules, he may, within thirty days of the communication of the impugned order and on payment of such fee as may be prescribed by the Government, prefer an appeal to the Director General, Mines and Minerals, Punjab.

(2) The Director General, Mines and Minerals, Punjab may, pending the decision of the appeal, grant a stay order:

Provided that an application for stay order in respect of Government dues shall be accompanied by a pay order of one fourth of the disputed amount in favour of the Director General, Mines and Minerals, Punjab in his official capacity, failing which the application shall stand dismissed.

(3) If the appeal in which a stay order had been granted is finally rejected and the Director General, Mines and Minerals, Punjab is of the view that the appeal was preferred on frivolous grounds or the stay order was obtained by deceit or fraud on the part of the appellant, it may, while deciding the appeal, impose a penalty on the appellant upto 10% of the bid money or the disputed amount, as the case may be.

(4) The amount deposited under sub-rule (2) shall first be adjusted towards the penalty imposed under sub-rule (3) and the remaining amount, if any, may be adjusted towards the satisfaction of the Government dues, and the balance security shall be refunded to the appellant.

235. Revision.- (1) Any person aggrieved by an order of the Director General, Mines and Minerals, Punjab may on payment of such fee as prescribed by the Government file a revision petition with the Government within a period of 30 days from the communication to him of the impugned order:

Provided that the Government may in its discretion condone the delay in filing the revision petition upto two months in deserving cases.

(2) The Government may at any time call for the record of any proceedings under these rules to examine the validity and the legality of the order or action and may pass such orders as it may deem necessary.

(3) The Government may pending the decision of revision petition grant a stay order.

Provided that an application for stay order in respect of Government dues shall be accompanied by a pay order of one fourth of the disputed amount in favour of the Director General, Mines and Minerals, Punjab in his official capacity, failing which application shall stand dismissed.

236. Bar of jurisdiction.-(1) Notwithstanding anything provided in any other law for the time being in force no court or other authority whatsoever shall have jurisdiction to entertain or to adjudicate upon any matter which the Government, the Director General, Mines and Minerals, Punjab or the Licensing Authority or any other person is empowered by or under these rules, to dispose of or to determine.

(2) The validity of anything done or an order passed by the Government, the Licensing Authority, the Director General, Mines and Minerals or any other person empowered by or under these rules shall not be called in question in any manner whatsoever before or by any court or other authority whatsoever.

(3) All proceedings in respect of any matter referred to in sub-rules (1) and (2) which may be pending before such court or other authority shall abate at once.

PART-5
REPEALS AND SAVINGS

Clause (i) of Rule 237 was deleted & clause (ii) (iii) renumbered vide Notification No. V(I&MD)3-21/95 Vol-III dated 30.04.2003.

237. Repeals.- The following laws are hereby repealed :

- i) The Punjab Mining Concession Rules, 1986.
- ii) The Punjab Minor Minerals Concession Rules, 1990.

Original deleted clause (i) of Rule 237
--

- | |
|--|
| i) The Punjab Mining Concession Rules, 1960. |
|--|

238. Savings.- Any prospecting license or mineral title granted, renewed or saved under any law for the time being in force and existing immediately before the coming into force of these rules shall be deemed to have been granted, renewed or saved for the subsisting period in accordance with the provisions of these rules as if these rules were in force at the time such prospecting license or mineral title was granted, renewed or saved and shall be treated accordingly.

(SHAHID RASHID)

SECRETARY TO GOVERNMENT OF THE PUNJAB
INDUSTRIES AND MINERAL DEVELOPMENT DEPARTMENT

SCHEDULES

Schedule 1 was substituted vide notification No. SOT/M&M/5-3/2007 dated 28.06.2013

“SCHEDULE 1”**APPLICATION FEE****(APPLICABLE TO LARGE SCALE MINING)****(Applicable to large scale mining)**

Sr. No.	Category	Application Fee	Renewal Fee
		Rs.	Rs.
1	Reconnaissance License	Rs.50,000/- (Rupees fifty thousand only)	Non- Renewable
2	Exploration License	Rs.1,00,000/- (Rupees one hundred thousand only)	-
	i) First Renewal	-	Rs.1,50,000/- (Rupees one hundred and fifty thousand only)
	ii) Second Renewal	-	Rs.2,00,000/- (Rupees two hundred thousand only)
	iii) Amendment	Rs.1,00,000/- (Rupees one hundred thousand only)	-
3	Mineral Deposit Retention License	Rs.2,00,000/- (Rupees two hundred thousand only)	
	i) Renewal		Rs.3,00,000/- (Rupees three hundred thousand only)
	ii) Amendment	Rs.1,00,000/- (Rupees one hundred thousand only)	
4	Mining Lease	Rs.2,00,000/- (Rupees two hundred thousand only)	
	i) Renewal		Rs.5,00,000/- (Rupees five hundred thousand only)
	ii) Amendment	Rs.2,50,000/- (Rupees two hundred and fifty thousand only)	

2. The notification shall come into force with effect from 1st July, 2013.

(Page 3067) The Punjab Gazette (Extraordinary) June 28, 2013

Original Schedule 1			
APPLICATION FEE			
(APPLICABLE TO LARGE SCALE MINING)			
No.	Category	Application Fee	Renewal Fee
		Rs.	Rs.
1	Reconnaissance License	15,000	Not Renewable
2	Exploration License	25,000	
	-First Renewal		50,000
	-Second Renewal		50,000
	- Amendment	25,000	
3	Mineral Deposit Retention License	1,00,000	
	- Renewal	15,000	
	-Amendment	25,000	
4	Mining Lease	100,000	
	- Renewal		100,000
	-Amendment	50,000	

Schedule 2 was substituted vide notification No. SOT/M&M/5-3/2007 dated 28.06.2013

“SCHEDULE 2”
APPLICATION FEE
(Applicable to large scale mining)

Sr. No.	Category	Rent Rs. Per Sq. Km.	Period Year
1	Reconnaissance License	Rs2,000/- (Rupees two thousand only)	One year
2	Exploration License	Rs5,000/- (Rupees five thousand only)	1-3
	- First Renewal	Rs7,000/- (Rupees seven thousand only)	4
		Rs8,000/- (Rupees eight thousand only)	5
		Rs10,000/- (Rupees ten thousand only)	6
	- Second Renewal	Rs11,000/- (Rupees eleven thousand only)	7
		Rs12,000/- (Rupees twelve thousand only)	8
		Rs13,000/- (Rupees thirteen thousand only)	9
3	Mineral Deposit Retention License	Rs15,000/- (Rupees fifteen thousand only)	2 + 1
4	Mining Lease	Rs15,000/- (Rupees fifteen thousand only)	30 + 10

2. The notification shall come into force with effect from 1st July, 2013.

(Page 3068) The Punjab Gazette (Extraordinary) June 28, 2013

Original SCHEDULE 2			
(APPLICABLE TO LARGE SCALE MINING)			
No.	Category	Rent Rs. Per Sq. Km.	Period Year
1	Reconnaissance License	100/-	1 year
2	Exploration License	250	1-3
		750	4
	- First Renewal	1,000	5
		1,250	6
		2,000	7
	- Second Renewal	2,500	8
		3,000	9
		3,000	9
3	Mineral Deposit Retention License	3,000	2 + 1
4	Mining Lease	3,000	30 + 10

**SCHEDULE 3
(APPLICABLE TO LARGE SCALE MINING)
GROUPS OF MINERALS**

A. CONSTRUCTION AND INDUSTRIAL MINERALS GROUP

Alunite, andalusite-sillimanite-kyanite, anhydrite, apatite, asbestos, barite, beryl, boron minerals, calcium carbonate, celestite, clay(including bentonite and Fuller's Earth (Palygorsite and attapulgite), ball clay, halloysite, hectorite, kaolin, refractory clay), corundum, diatomite, dolomite, epsomite, feldspar emeralds, garnet (for industrial purposes), graphite, gypsum, heavy mineral sands, iodine minerals, leucoxene, emerald minerals, limestone and marble, magnesite, mica nepheline syenite, nitrate, olivine, perlite, phosphate, fossil guano, quartz (for emeralds purposes), picture-stone, potash, pumice, pyrophyllite, salt, sepiolite, silica sand, soapstone, soda-ash and other sodium compounds, strotianite, sulphur and pyrite, talc, vermiculite, wollastonite and any other mineral as declared by the Government.

B. PRECIOUS STONES GROUP

Diamonds, Emeralds, rubies and sapphires.

C. PRECIOUS METALS GROUP

Gold, silver, platinum, palladium, osmium, rhodium, iridium and ruthenium.

D. SEMI-PRECIOUS STONES GROUP

Amozone, aventurine, beryl (including aquamarine, heliodor and morganite, but excluding beryl as a source of beryllium metal or as an industrial mineral), chrysoberyl, chrysocolla, cordierite, diopside, dumortierite, garnet, milarite, quartz (including amethyst, citrine, rock crystal, rose and strawberry quartz, agate, carnelian, chalcedony, chrysoprase, jasper, moss agate, hyalite, opal, pietersite and tiger's eye), sodalite, topaz, tourmaline and turquoise.

E. BASE METALS GROUP

Aluminium, antimony, arsenic, beryllium, bismuth, cadmium, caesium, chromium, cobalt, copper, gallium, germanium, hafnium, indium, iron, lead, manganese, mercury, molybdenum, nickel, rhenium, radium, "Rare Earths" or lanthanides, including the actinides, scandium and yttrium, rhenium, rubidium, rubidium, selenium, tantalum, tellurium, thallium, tin, tungsten, vanadium, zinc or zinc-cadmium, but does not include any such minerals if such mineral is incidentally included in a mineral falling in any other group of minerals.

NOTE:

The Government may include or exclude any mineral or group of minerals in the above said groups through Notification as deemed appropriate.

**The Regulation of Mines and Oil-fields and
Mineral Development ¹[(Government Control)]
Act, 1948²**

(ACT NO. XXIV OF 1948³)

(8th January 1949)

An Act to make provision for certain matters connected with the regulation of mines and oil-fields and mineral development.

WHEREAS it is expedient to make provision for certain matters connected with the regulation of mines and oil-fields and mineral development under Government Control;

WHEREAS it appears to the Central Government to be expedient in the public interest to make such provision to the extent hereinafter appearing;

It hereby enacted as follows:

1. Short title, extent and commencement.-(1) This Act may be called the Regulation of Mines and Oil-fields and Mineral Development (Government Control)¹ Act, 1948.

⁴(2) It extends to the whole of Pakistan]

(3) It shall come into force on such date⁵ as the Central Government may, by notification in the official Gazette, appoint in this behalf.

2. Power to make rules.- It is hereby declared to be expedient in the public interest that the [appropriate Government]⁶ shall have power to make⁷ rules to provide for all or any of the following matters, namely:

- (1) the manner in which and the authority to whom, application for the grant or renewal of an exploration or prospecting license, a mining lease or other mining concession shall be made, and the prescribing of the fees to be paid on such application;
- (2) the conditions in accordance with which the grant or renewal of an exploration or prospecting license, a mining lease or other mining concession may be made, and the prescribing of forms for the execution or renewal of such license, lease and concession;
- (3) the circumstances under which renewal of a license, lease or concession as aforesaid may be refused, or any such license, lease or concession whether granted or renewed may be revoked;
- (4) the determination of the rates at which, and the conditions subject to which, royalties, rents and taxes shall be paid by licensees, lessees and grantees of mining concessions;
- (5) the refinement of ores and mineral oils;
- (6) the control of production, storage and distribution of minerals and mineral oils;
- (7) the fixation of the prices at which minerals and mineral oils may be bought or sold; and
- (8) any matter ancillary or incidental to the matters set out in the foregoing clauses of the section;

and the ⁸[appropriate Government] may, by notification in the official Gazette, make rules accordingly.

3. Penalties -- In making any rule under the preceding section the ⁸[appropriate Government] may direct that any breach of that rule shall be punishable with imprisonment for a term which may extend to three years, or with fine, or with both.

4. Effect of rules, etc., inconsistent with other enactments.- Any rule made under this Act, and any order made under any such rule, shall have effect notwithstanding anything inconsistent therewith contained in any enactment or in any instrument having effect by virtue of an enactment other than this Act.

5. Power to exempt.- The ⁸[appropriate Government] may, by notified order, declare that any mineral or mineral-oil or any class or description thereof shall be exempt from all or any of the provision of the rules made under this Act, or that such provisions shall apply thereto with such modification or subject to such conditions as may be specified in the order.

⁹6. Definition of appropriate Government.-In this Act, "appropriate Government" means, in relation to the mines of nuclear substances, oil-fields, and gas-fields, and development of such substances, mineral oil and gas, the Central Government and, in relation to the other mines and mineral development, the Provincial Government.

COMMENTARY

1. Substituted by President's Order No.1 of 1964, Art. 2 and Sch. PLD 1965 Central Statutes 17, 27.
2. PLD 1949 Central Acts 109.
3. For Statement of Objects and Reasons, see Gazette of Pakistan, year 1948. Part V (Page 127).

The Act has been -

- (i) applied to Baluchistan, see Gazette of Pakistan, 1949, Part I, page 408;
- (ii) applied in the Federated Areas of Baluchistan, see *ibid.*, Extraordinary, 1950, page 512;
- (iii) extended to the Leased Areas of Baluchistan, see the Leased Areas (Laws) Order, 1950 (Governor-General's Order No. 3 of 1950);
- (iv) applied to the Excluded Areas of West Pakistan, with effect from the 21st March 1956 see Gazette of West Pakistan 1956, Extraordinary, page 239;

COMMENTARY

Substitution of the words 'Government Control'.- The words 'Government Control' were substituted for 'Federal Control' in short title, preamble and section 1 of the Act by the President of Pakistan under Central Adaptation of Laws Order 1964. The object of this substitution was to enable both the Central and the Provincial Governments to discharge their respective functions in the field of mineral development under the (late) 1962 Constitution.

- (v) applied to the Special Areas of West Pakistan, with effect from the 22nd March, 1956, see Gazette of West Pakistan, 1956, Extraordinary, page 243.

It has been extended to:

- (a) The Baluchistan States Union; see the Baluchistan States Union (Federal Laws) (Extension) Order, 1953 (Governor-General's Order No.4 of 1953);
- (b) the Khairpur State, see the Khairpur (Federal Laws) (Extension) Order 1953 (Governor-General's Order No.5 of 1953) ; and
- (c) the State of Bahawalpur, see the Bahawalpur (Extension of Federal Laws) Order 1953 (Governor-General's Order No. 11 of 1953).

The Act has been and shall be deemed to have been brought into force in Gwadur with effect from the 8th September, 1985 by the Gwadur (Application of Central Laws) Ordinance, 1960 (37 of 1960), section 2.

4. Substituted by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), section 3 and Second Schedule.
5. The 1st June, 1949 see Gazette of Pakistan, 1949, Part I, page 246.
6. Subs. by President's Order No.1 of 1964, Art. 2, and Sch. PLD 1965 Central Statutes 17, 27.
7. For the Pakistan Petroleum (Production) Rules, 1949, see Gazette of Pakistan, 1949 Extraordinary, pages 501-552;

For the Natural Gas Rules, 1960, see Gazette of Pakistan, 1960, Extraordinary, pages 919-956; and

For the Pakistan Mining Concession Rules, 1960 see Gazette of Pakistan. Extraordinary 1960, pages 1107-1166 and also See pages 1-60, *supra*.

COMMENTARY

1. The words 'appropriate Government'.- The words 'appropriate Government' were substituted for 'Central Government' in sections 2, 3 and 5 of the Act under the Adaptation of Laws Order, 1964 with the object of enabling both the Central and the Provincial Government to discharge their respective

functions in the field of mineral development under the 1962 Constitution.

2. **Definition of 'appropriate Government'**.- The term 'appropriate Government' as defined in section 6 of this Act means the Central Government in respect of minerals falling under the control of the Central legislature and Provincial Government concerned for rest of the mines and minerals.

3. **Power to frame rules**.-The power of the Provincial Government to frame rules is traceable to section 2 of the Act. This power may be exercised in respect of all or any of the matters enumerated there-under.

4. **Rules to be notified in the official Gazette**.- Section 2 of the Act requires the Government to notify the enactment of the rules in the official Gazette.

COMMENTARY

While framing rules under section 2 of the Act, the Provincial Government may provide for the imposition of penalties for breach of any particular rule. The maximum penalty that has been prescribed in section 3 of the Act may either be in the form of imprisonment which may extend to three years, or with fine or both. The punishment prescribed in section 3 of the Act, cannot be exceeded by the Provincial Government while framing the rules. The legislature has not fixed the amount of fine to be imposed under section 3. However, the Provincial Government may fix the same in exercise of its powers under section 2, item (8).

COMMENTARY

Section 4 gives over-riding force to any rule framed by the provincial Government or any order passed thereunder in case of its inconsistency with any other enactment or instrument having the effect of law other than this Act.

COMMENTARY

1. **Power to exempt any mineral from operation of the Rules**.- Section 5 authorizes the Provincial Government to exempt any mineral, mineral-oil or any class or description thereof from the purview of the rules. The order of exemption has to be notified in the official Gazette. While acting under the provisions of Section 5, the Government may further declare that the provisions of the rules will apply to the minerals mentioned in the notified order with such modifications or subject to such conditions as it may deem fit.

COMMENTARY

Section 6 was added by the President of Pakistan by President's Order No: 1 of 1964 called as Central Adaptation of Laws Order 1964. The object of this Order was to effect necessary changes in the Regulation of Mines and Oil-fields and Mineral Development (Federal Control) Act, 1948 for enabling both the Central and the Provincial Governments to discharge their respective functions in the field of mineral development devolving upon them under the 1962 Constitution.

The term 'appropriate Government' has been defined to mean the Central Government so far as mines of nuclear substances, oil-fields and gas-fields, and development of such substances, mineral oil and gas are concerned. For rest of the minerals i.e. the minerals belonging to a province, the term appropriate Government means the Provincial Government concerned.

**

⁷ & ⁸. PLD 1965 Central Statutes P. 7 and 17.

⁹. Added by President's Order No.1 of 1964, Art, 2 and Sch. PLD 1965 Central 17, 27.

LAWS & RULES RELATING TO MINING.

The laws and Rules had been / currently governing the mineral sector includes:

- 1) The Mines Act, 1923.
 - 2) The Exemption from the Provision of Mines Act, 1923.
 - 3) The Coal Mines Regulations, 1926.
 - 4) The Metalliferous Mines Regulations, 1926.
 - 5) The Mines Maternity Benefit Act, 1941.
 - 6) The Mines Maternity Benefit Rules, 1943.
 - 7) The Coal Mines Pithead Bath Rules, 1946.
 - 8) The Coal Crèche Rules, 1946.
 - 9) The Coal Mines Labour Welfare Fund Act, 1947.
 - 10) The Regulation of Mines & Oil-Field and Mineral Development (Federal Control) Act, 1948.
 - 11) The Coal Mines Labour Welfare Fund Act, 1949.
 - 12) The Pakistan Mining Concession Rules, 1949.
 - 13) The Pakistan Petroleum (Production) Rules, 1949.
 - 14) The Oilfield Regulation, 1950.
 - 15) The Payment of Wages (Mines) Rules, 1950.
 - 16) The Mining Board Rules, 1951.
 - 17) The Consolidated Mines Rules, 1952.
 - 18) The West Pakistan Mining Concession Rules, 1958.
 - 19) The West Pakistan Regulation of Mines & Minerals Development Act, 1958.
 - 20) The Pakistan Mining Concession Rules, 1960.
 - 21) The Coal Mines (Fixation of Rates of Wages) Ordinance, 1960.
 - 22) The Mineral (Acquisition and Transfer) order, 1961.
 - 23) The Excise Duty on Minerals (Labour Welfare) Act, 1967.
 - 24) The Excise Duty on Minerals (Labour Welfare) Sindh Rules, 1967.
 - 25) The Excise Duty on Minerals (Labour Welfare) Punjab, Rules, 1969.
 - 26) The Excise Duty on Minerals (Labour Welfare), Balochistan Rules, 1969.
 - 27) The Baluchistan Mining Concession Rules, 1970.
 - 28) The North West Frontier Province Mining Concession Rules, 1976.
 - 29) The Punjab Minor Minerals (Cancellation of leases) Ordinance, 1977.
 - 30) Martial Law Instruction 24 of 1977.
 - 31) The Competency Certificate Examination Rules, 1981.
 - 32) The Land Acquisition (Mines) Act, 1885.
 - 33) The Central Rescue Station (Coal and Coke Mines) Rules, 1986.
 - 34) The Sindh Coal and Metalliferous Mines (Supplementary) Regulations, 1986.
 - 35) The Punjab Mining Concession Rules, 1986.
 - 36) The Punjab Minor Minerals Concession Rules, 1990.
 - 37) The Punjab Mining Concession Rules, 2002.
 - 38) The Mining Labour Code.
-

(Relating Part to Mining Sector)

West Pakistan
LAND REVENUE ACT
(ACT XVII OF 1967)

(1) This Act may be called [the Punjab] **Land Revenue Act, 1967**. (2) It extends to the whole of the Province of [the Punjab], except the Tribal Areas.

Rights of Government and presumptions with respect thereto and to other matters

49. Right of Government in mines and minerals. Notwithstanding anything to the contrary in any other law, or in any order or decree of Court or other authority, or in any rule of custom or usage or in any contract, instrument, deed or other document, all mines and minerals shall be and shall always be deemed to have been the property of Government, and Government shall have all powers necessary for the proper enjoyment of its rights thereto.

Explanation— For the purposes of this section, “Government”, in relation to nuclear energy, mineral oil and natural gas, shall mean the ^{1[46]}[Federal] Government, and in relation to other mines and minerals the Government of ^{2[47]}[the Punjab].

Explanation-For the purposes of this section, "Government", in relation to nuclear energy, mineral oil and natural gas, shall mean the Central Government, and in relation to other mines and minerals, the Government of West Pakistan.

Punjab. The word 'Central' shall be substituted by the word 'Federal' and the words 'West Pakistan' shall be substituted by the words 'The Punjab'.

P.O. No.1 of 1974, Sch. Part 3.

50. Presumption as to ownership of forests, quarries and wastelands. (1) When in any record-of-rights completed on or before the eighteenth day of November, 1871, in territories where the Punjab Land Revenue Act, 1887 (Punjab Act XVII of 1887), was, with or without modifications, in force immediately before the commencement of this Act, or completed on or before the seventeenth day of July, 1879, in territories where the Bombay Land Revenue Code, 1879 (Bombay Act V of 1879), or the Sind Land Revenue Code, 1879 (Sind Act V of 1879), was so in force, it is not expressly provided that any forest or quarry, or any unclaimed, un-occupied, deserted or wasteland, or any spontaneous produce or other accessory interest in land belongs to the land-owners, it shall be presumed to belong to Government.

(2) When in any record-of-rights completed after the eighteenth day of November, 1871, or the seventeenth day of July, 1879, as the case may be, it is not expressly provided that any forest or quarry, or any such land, produce or interest as aforesaid, belongs to Government, it shall be presumed to belong to the land-owners concerned.

- (3) The presumption created by sub-section (1) may be rebutted by showing
- (a) from the record or report made by the assessing officer at the time of assessment, or
 - (b) if the record or report is silent, then from a comparison between the assessment of villages in which there existed, and the assessment of villages of similar character in which there did not exist, any forest or quarry, or any such land, produce or interest

that the forest, quarry, land, produce or interest was taken into account in the assessment of the land-revenue.

(4) Until the presumption is so rebutted, the forest, quarry, land, produce or interest shall be held to belong to Government.

N.-W.F.P. In section 50,

(a) in sub-section (1), omit the words, commas, figures and brackets "or completed on or before the seventeenth day of July 1879, in territories where the Bombay Land Revenue Code, 1879 (Bombay Act V of 1879), or the Sind Land Revenue Act, 1879 (Sind Act V of 1879) was in force."; and

(b) in sub-section (2), omit the words, commas and figures "or the seventeenth day of July 1879, as the case may be".

N.-W.F.P, Adaptation of Laws Order, 1975, Sch. 2,

Punjab. The words, commas and brackets "or completed on or before the seventeenth day of July, 1879, in territories where the Bombay Land Revenue Code, 1879 (Bombay Act V of 1879), or the Sind Land Revenue Code, 1879 (Sind Act V of 1879), was so in force" shall be deleted.

P.O. No.1 of 1974, Sch. Part 3.

Sind. In section 50,

(i) in sub-section (1), omit "on or before the eighteenth day of November 1871, in territories where the Punjab Land Revenue Act, 1887 (Punjab Act XVII of 1887), was, with or without notifications, in force immediately before the commencement of this Act, or completed";

(ii) in sub-section (2)

(a) omit "eighteenth day of November 1871, or";

(b) omit " as the case may be,".

Sind Act 17 of 1975, S. 3 & Sell. 2.

113. Recovery of certain arrears through Revenue Officers instead of by suit.—

When a Village Officer required by rules under section 36 to collect any land-revenue or sum recoverable as an arrear of land-revenue—

(a) satisfies a Revenue Officer that the revenue or the sum has fallen due and has not been paid to him.

(b) has collected such revenue or sum, but has not credited the same to Government in the manner provided in the rules,

the Revenue Officer may, subject to rules which the Board of Revenue may make in this behalf, recover such revenue or sum, from the person from whom it is due, or the Village Officer by whom it was collected, as the case may be, as arrears of land-revenue.

114. Other sum recoverable as arrears of land-revenue.— In addition to any sums recoverable as arrears of land-revenue under this Act or any other enactment for the time being in force, the following sums may be so recovered, namely:—

(a) fees, fines, costs and other charges, including the Village Officers' cess payable under this Act;

(b) revenue due to Government on account of pasture or other natural products of land, or on account of mills, fisheries or natural products of water, or on account of other rights described in section 49 or section 50 in case in which the revenue so due has not been included in the assessment of an estate;

(c) fees payable under the law for the time being in force for the use or benefit derived from the construction and repair of embankments, and works for supply, storage and control of water for agricultural purposes, and for the preservation and reclamation of soil and drainage and reclamation of swamps;

(d) sums leviable by or under the authority of Government as water-rates, or on account of the maintenance or management of canals, embankments or

other irrigation works, not being sums recoverable as arrears of land-revenue under any enactment for the time being in force; ^{3[86]}[* * *].

(e) sums payable to Government by a person who is surety for the payment of any of the foregoing sums or of any other sum recoverable as an arrear of land-revenue ^{4[87]}[; and].

^{5[88]}[(f) such further sums as the Government may consider necessary to recover in public interest.]

115. Application of Chapter VIII to sums recoverable under this Chapter.— (1) The provisions of Chapter VIII shall, with respect to any sum mentioned or referred to in this Chapter, apply, so far as they can be made applicable, as if the sum were an arrear of land-revenue, and the person from whom, either as principal or as surety, it is due were a defaulter in respect of such an arrear.

(2) Unless any such sum is declared by any enactment for the time being in force to be recoverable as if it were an arrear of land-revenue due in respect of the land charged therewith, the provisions of section 90 shall apply under sub-section (1) to the recovery thereof.

^{6[89]}**115-A. Charges for recovery of dues, other than Provincial dues, as arrears of land-revenue.**— Where any sum, other than a sum which is to be credited into and to form a part of the Provincial Consolidated Fund of West Pakistan, is collected as an arrear of land-revenue under the provisions of this Chapter, a commission at the rate of two per cent of the sum collected shall be deducted there from as recovery charges, and the amount of such commission shall be credited into the Provincial Consolidated Fund of West Pakistan.]

NOTIFICATIONS

Rates substituted vide notification No. No.V(IM&M)6-1/86 dated 09.05.2003 (Page)

**GOVERNMENT OF THE PUNJAB
INDUSTRIES, MINES & MINERALS
DEPARTMENT**

Dated Lahore, the 28th March, 2002

NOTIFICATION

No.V(IM&M)6—1/86. In exercise of the powers conferred upon him under the provisions of the Punjab Mining Concession Rules, 2002 and in supersession of this Department's Notifications of even number dated 23.8.1989, 15.8.1994 and 01.9.1996, the Governor of the Punjab is pleased to prescribe the following rates of fees/rent under the Rules indicated against each: -

Rule No.	Description of Fee/Rent	Prescribed Rate
96(1)(a)	Application Fee	Rs.2000/- (Rupees two thousand only) both for a mining lease or a prospecting license.
96(1)(d)	Cost of Plans	Rs.500/- (Rupees five hundred only).
100(2)	Inspection Fee	Rs.100/- (Rupees one hundred only).
109(1)	Assignment Fee	Rs.5,000/- (Rupees five thousand only) for coal and Rs.2000/- (Rupees two thousand only) for other minerals.
110(1)	Security	a) Rs.1000/- (Rupees one thousand only) for prospecting license. b) Rs.10/- (Rupees ten only) per acre subject to the minimum of Rs.5000/- (Rupees five thousand only) for mining lease of coal. c) Rs.3000/- (Rupees three thousand only) for mining lease of other minerals.
126(1)	Annual Fee	Rs.3/- (Rupees three only) per acre per annum. The fee shall be enhanced by 50% over the last fee paid each time the license is renewed. The fee shall be paid in advance for each year of renewal of prospecting license.
135	Deed Rent	Rs.10/- (Rupees ten only) per acre per annum for coal and limestone and Rs.4/- (Rupees four only) per acre per annum for other minerals.
185(1)	Appeal Fee	1000/- (Rupees one thousand only).

Sd/-
SHAHID RASHID
Secretary
Industries, Mines & Minerals
Department

.....

GOVERNMENT OF THE PUNJAB
INDUSTRIES, MINES & MINERALS
DEPARTMENT

Dated Lahore, the 28th March, 2002

NOTIFICATION

No.V(IM&M)6—1/90. In pursuance of the powers conferred upon him under the Punjab Mining Concession Rules, 2002, the Governor of the Punjab is pleased to provide rates/penalty/manner for the matters required to be prescribed as under: -

Sr. No.	Rule No.	Prescribed Rate / Penalty / Manner
1)	Earnest money. Rule 199(1)	Rs.5000/- (Rupees five thousand only) in the shape of pay order/deposit at call in the name of the Director General, Mines & Minerals, Punjab in his official capacity.
2)	Payment of bid money. Rule 203	i) Ordinary Stone, Sand Stone, Dolomite, Slate Stone, Building Stone, Decorative Stone including Ebri Stone, Millstone and Limestone. 1/5 th of the bid money in the form of pay order will be paid at fall of hammer by the highest bidder, in the name of the Director General Mines & Minerals, Punjab, in his official capacity. The balance will be recovered in equal instalments, in advance on yearly basis spread over the period of lease. ii) Ordinary Sand and Gravel: 1/4 th of the bid money in the form of pay order will be paid at fall of hammer by the highest bidder, in the name of the Director General, Mines & Minerals, Punjab in his official capacity. The balance will be recovered in equal instalments, in advance on half yearly basis, spread over the period of lease.
3)	Demarcation of area. Rule 212(1)	Penalty not exceeding Rs.2000/- (Rupees two thousand only)
4)	Demarcation of area Rule 212(2)	Fee @ Rs.5/- per acre subject to the minimum of Rs.3,000/- (Rupees three thousand only) and maximum of Rs.10,000/- (Rupees ten thousand only) will be charged for official demarcation of the area.
5)	Access to other lessees. Rule 215(2)	Penalty not exceeding Rs.10,000/- (Rupees ten thousand only)
6)	Assignment Rule 221(1)	10% of bid money subject to the minimum of Rs.5,000/- (Rupees five thousand only).
7)	Issuance of slips Rule 229(2)	Rs.5,000 (Rupees five thousand only).
8)	Appeal Rule 234(1)	Rs.1,000 (Rupees one thousand only)
9)	Revision Rule 235(1)	Rs.1,500 (Rupees one thousand five hundred only)

Sd/-

SHAHID RASHID

Secretary

Industries, Mines & Minerals
Department

Rates substituted vide notification No. SOT(M&MD)6-1/2003 dated 13.06.2003 (Page-)

**GOVERNMENT OF THE PUNJAB
INDUSTRIES, MINES & MINERALS
DEPARTMENT**

Dated Lahore, the 28th March, 2002

NOTIFICATION

No.V(IM&M)6—1/91. In exercise of the powers conferred upon him under Rule 141 of the Punjab Mining Concession Rules, 2002 and in supersession of this Department's Notifications of even number dated 05.9.1993, 01.9.1996, 01.01.1998 and 19.7.2000 on the subject, the Governor of the Punjab is pleased to prescribe the following rates of royalty with effect from 20.3.2002 for the minerals produced and carried away from the licensed/leased areas namely: -

Sr. No.	Name of the Minerals	Rate of Royalty per metric ton (in Rupees)
1.	Argillaceous clay	5.00
2.	Ball Clay	5.00
3.	Barytes	7.00
4.	Bauxite	16.00
5.	Bentonite	17.00
6.	Brine	20.00 (solid mineral contents only)
7.	Building Stone	15.00
8.	Calcite	10.00
9.	Celestite	16.00
10.	Chalk	5.00
11.	China Clay	12.00
12.	Coal	35.00
13.	Dolomite	15.00
14.	Ebri Stone	15.00
15.	Fireclay	12.00
16.	Fuller's Earth	5.00
17.	Granite	7.00
18.	Gravel	15.00
19.	Gypsum	5.00
20.	Iron Ore	20.00
21.	Lake Salt	20.00
22.	Latrite	20.00
23.	Limestone	15.00
24.	Marble	20.00
25.	Mill Stone	15.00
26.	Ochres (Red/Yellow Oxide).	20.00
27.	Ordinary Sand	7.00
28.	Ordinary Stone	15.00
29.	Quartzite Stone	5.00
30.	Rock Salt	20.00
31.	Sand Stone	15.00
32.	Shale	1.50
33.	Silica Sand	10.00
34.	Slate Stone	15.00
35.	Tar Sand	20.00

Sd/-

SHAHID RASHID

Secretary,

Industries, Mines & Minerals Department

GOVERNMENT OF THE PUNJAB
INDUSTRIES, MINES & MINERALS
DEPARTMENT.

Dated Lahore, the 28th March, 2002.

NOTIFICATION

No. V(IM&MD)6-2/87(Vol-II). In exercise of the powers conferred upon him under Rule 194 of the Punjab Mining Concession Rules, 2002 and in supersession of the Government of Punjab, Industries & Mineral Development Department's Notification No. V(I&MD)6-2/87(Vol-II) dated 8.9.2001, the Governor of the Punjab is pleased to constitute the Auction Committee as follows in each District to conduct auction of leases for minor minerals, with immediate effect.-

i)	Executive District Officer (Revenue)	Chairman
ii)	Representative of the Directorate General of Mines & Minerals, Punjab.	Secretary
iii)	Representative of the Forest Department, Government of Punjab.	Member
iv)	Representative of the Irrigation & Power Department, Government of the Punjab.	Member
v)	Representative of the Environment Protection Department, Government of Punjab.	Member
vi)	Representative of the Inspectorate of Mines.	Member

Note.- Secretary and every Member shall be an officer in BS-17 or above.

Sd/-

SHAHID RASHID

Secretary

Industries, Mines & Minerals
Department.

.....
GOVERNMENT OF THE PUNJAB
INDUSTRIES, MINES & MINERALS
DEPARTMENT

Dated Lahore, the 28th March, 2002

NOTIFICATION

No.V(IM&M)6—1/96. In exercise of the powers conferred upon him under Section 2 of the Regulation of Mines and Oilfields and Mineral Development (Government Control) Act, 1948 (XXIV of 1948) and in partial modification of this Department's Notifications No.V(I&MD)8-1/83, dated 08.8.1986 and 01.9.1996, the Governor of the Punjab is pleased to direct that in the Punjab Mining Concession Rules, 2002, the following amendments shall be made: -

AMENDMENTS

- 1) In Rule 175, in Sub-Rule (3), a penalty upto Rs.10,000/-.
- 2) For Rule 177, the following penalties shall be imposed.-
"177, PENALTIES: Notwithstanding any other penalty provided by the Rules, the Licensing Authority or an officer authorized by the Government may impose on a licensee or a lessee, the following penalties namely.-
i) Penalty upto Rs.1000/- for violation of Rule 106.
ii) Penalty upto Rs.3000/- for violation of Rule 108.

- iii) Penalty upto Rs.3000/- for violation of Rule 128.
- iv) Penalty upto Rs.5000/- for violation of Rule 134(2).
- v) Penalty upto Rs.1000/- for violation of Rule 136(1)
- vi) Penalty upto Rs.2000/- for violation of Rule 137(3)
- vii) Penalty upto Rs.5000/- for violation of Rule 138
- viii) Penalty upto Rs.3000/- for violation of Rule 139.
- ix) Penalty upto Rs.3000/- for violation of Rule 140.
- x) Penalty upto Rs.5000/- for violation of Rule 148.
- xi) Penalty upto Rs.3000/- for violation of Rule 149.
- xii) Penalty upto Rs.5000/- for violation of Rule 151.
- xiii) Penalty upto Rs.3000/- for violation of Rule 152.
- xiv) Penalty upto Rs.10,000/- for violation of Rule 153.
- xv) Penalty upto Rs.1000/- for violation of Rule 154.
- xvi) Penalty upto Rs.1000/- for violation of Rule 155.
- xvii) Penalty upto Rs.10,000/- for violation of Rule 156.
- xviii) Penalty upto Rs.1000/- for violation of Rule 157.
- xix) Penalty upto Rs.5000/- for violation of Rule 161.
- xx) Penalty upto Rs.5000/- for violation of Rule 162.
- xxi) Penalty upto Rs.10,000/- for violation of Rule 163.
- xxii) Penalty upto Rs.3000/- for violation of Rule 170.
- xxiii) Penalty upto Rs.1000/- for violation of Rule 188.

SHAHID RASHID
Secretary,
Industries, Mines & Minerals
Department

.....
Substituted vide notification No.DGM&M/DEV.CDN-I-(56)/07 dated 24.01.2008 (Page)

DIRECTOR GENERAL OF MINES
AND MINERALS, PUNJAB, LAHORE
Dated Lahore, the April 9, 2002

NOTIFICATION

NO.MD/DEV-CDN-I(9)/2000.- In partial modification of the Notification of even No. dated 14.01.2001, the Licensing Authority is pleased to lay-down the following policy regarding financial capability of the applicants holding of area and number of concessions by a limited/joint stock company under rules 96(I)(e), 102 and 103 of the Punjab Mining Concession Rules, 2002 with immediate effect .-

1. FOR MINING CONCESSION FOR COAL, ROCK SALT AND METALLIC MINERALS.

- i) Attested copies of documents relating to the fixed deposits, Defence Saving Certificates, NIT Shares in the name of the applicant to the extent of Rs.5.00 lac or statement of Bank transaction for a period of 12 months (not older than a month on the date of filing of application) showing a minimum closing balance of Rs.5.00 lac and reasonable number of transaction of the same amount during the year.
- ii) Evidence of immovable property duly verified by the Competent Authority to the tune of Rs.15.00 lac. In case, an applicant is unable to produce evidence of immovable property, he/she may furnish additional evidence of his/her capacity to invest amount of Rs.15.00 lac.

- iii) Provided in case an applicant is unable to show the cash liquidity at (i) above he/she may give additional evidence of movable/immovable property for double the amount stated therein.

2. **FOR MINING CONCESSIONS FOR ALL OTHER MINERALS.**

- i) Attested copies of documents relating to the fixed deposits, Defence Saving Certificates, NIT Shares in the name of the applicant to the extent of Rs.3.00 lac or statement of Bank transaction for a period of 12 months (not older than a month on the date of filing of application) showing a minimum closing balance of Rs.3.00 lac and reasonable number of transaction of the same amount during the year.
- ii) Evidence of immovable property duly verified by the Competent Authority to the tune of Rs.10.00 lac. In case, an applicant is unable to produce evidence of immovable property, he/she may furnish additional evidence of his/her capacity to invest cash amount of Rs.10.00 lac.
- iii) Provided in case an applicant is unable to show the cash liquidity at 2(i) above he/she may give additional evidence of movable/immovable property for double the amount stated therein.

In case of limited companies proper evidence of paid up capital of 1.4 million duly verified by the relevant Authority not older than one year shall be furnished.

The Licensing Authority also considers it expedient to lay down, with immediate effect, as policy regarding holding of area and number of mining concession by a person under the rules *ibid*, that

1. A private limited company with a paid up capital less than 1.5 million rupees shall not be granted more than five (5) mining concessions or an aggregate area exceeding 5,000 acres.
2. A private limited company with a paid up capital up to 4.5 million rupees shall not be granted more than ten (10) mining concessions or an aggregate area exceeding 10,000 acres.
3. A private limited company with a paid up capital up to ten million rupees shall not be granted more than fifteen (15) mining concessions or an aggregate area exceeding 15,000 acres.
4. No restriction regarding holding or aggregate area will be applicable to the joint stock companies with paid up capital exceeding ten (10) million rupees. Their applications will be decided on case to case basis on the basis of their performance in the earlier granted areas.
5. The maximum and minimum limits regarding size of the area under a prospecting license/mining lease for coal will be 200 to 1500 acres and for all other minerals, it will be 50 to 500 acres respectively.
6. The holding of share up to ten percent (10%) by a person/director of a firm will not be counted towards aggregate holding of that person/director.
7. Mining leases granted through sealed tender will not be counted towards the holding of the party/firm.

Sd/-

(S. ZAHID HUSSAIN)

DIRECTOR SMALL MINES ASISTANCE/
TITLES, PUNJAB

.....

**DIRECTOR GENERAL OF MINES & MINERALS
PUNJAB, POONCH HOUSE, LAHORE.**

Dated Lahore, the 04-05-2002

NOTIFICATION.

No.MD/DEV-CDN-I(13)/95.- Consequent upon promulgation of PMC Rules 2002 and exercise of powers conferred upon him under the Punjab Mining Concession Rules, 2002 the Licensing Authority is hereby pleased to notify the following rates of fees under various rules.-

SL. NO.	DESCRIPTION OF FEE	PRESCRIBED RATE
1.	Fee for Development Scheme – Rule 137(3).	Rs.10.00 per acre subject to minimum of Rs.5,000/- and maximum of Rs.15,000/-.
2.	Fee for preparation of geological plan. – Rule 137(3).	Rs.5/- per acre subject to minimum of Rs.2,000/- and maximum of Rs.10,000/-.
3.	Demarcation fee – Rule 147(3)	<p>1. <u>Coal.</u> Rs.10/- per acre subject to minimum of Rs.10,000/- and maximum of Rs.25,000/-.</p> <p>2. <u>Other Minerals.</u> Rs.10.00 per acre subject to minimum of Rs.5,000/- and maximum of Rs.10,000/-.</p>

Sd/-

(SYED ZAHID HUSSAIN SHAH)
DIRECTOR SMALL MINES ASSISTANCE/TITLE.

.....
GOVERNMENT OF THE PUNJAB
INDUSTRIES, MINES & MINERALS
DEPARTMENT

Dated Lahore, the 19th July, 2002.

NOTIFICATION

No.1-2-3/2002. Consequent upon the establishment of the office of Director General Mines and Minerals Punjab, Lahore, following posts are re-designated as under.-

Sr. No.	Previous Designation	Re-Designated as
1.	Deputy Director (Mineral Development)	Deputy Director (Mines & Minerals)
2.	Deputy Director (Mineral Evaluation & Technical Cell)	Deputy Director (Mines & Minerals) (Small Scale Mining)
3.	Assistant Director (Mineral Development)	Assistant Director (Mines & Minerals)

2. This issues with the approval of the Finance Department.

SECRETARY
INDUSTRIES, MINES & MINERALS
DEPARTMENT
.....

Substituted MC vide notification No. V(IM&MD)5-2/2002 dated 09.09.2002 (Page)

**GOVERNMENT OF THE PUNJAB
INDUSTRIES, MINES & MINERALS
DEPARTMENT**

Dated Lahore, the 13th August, 2002.

NOTIFICATION

No.V(IM&MD)5-2/2002. In pursuance of the powers conferred upon him under Section 2 of the Mines & Oil fields & Mineral Department (Government Control) Act, 1948, read with Rule 3(2) of the Punjab Mining Concession Rules, 2002, the Governor of the Punjab is pleased to constitute the Mines Committee in respect of Large Scale Mining, comprising the following members:

- | | |
|---|-------------------|
| 1. Director General, Mines & Minerals, Punjab. | Chairman |
| 2. Chief Inspector of Mines, Punjab. | Member |
| 3. Director, Small Mines Assistance / Titles. | Member/ Secretary |
| 4. Director Environmental Facilitation. | Member |
| 5. Director Resource Mapping. | Member |
| 6. Deputy Director General, Geological Survey of Pakistan,
Lahore. | Member |
| 7. Additional Secretary (Forest Department) | Member |
| 8. Additional Secretary (Finance Department) | Member |
2. The Mines Committee shall have power to grant exploration license, mineral deposit retention license and mining leases for all minerals or group of minerals. The committee shall have power to grant further renewal of all the titles.
3. Four members including the Chairman will constitute the quorum of the Committee.

**SHAHID RASHID
SECRETARY
INDUSTRIES, MINES & MINERALS
DEPARTMENT**

.....
**GOVERNMENT OF THE PUNJAB
INDUSTRIES, MINES & MINERALS
DEPARTMENT**

Dated Lahore, the 09th September, 2002.

NOTIFICATION

No.V(IM&MD)5-2/2002. In pursuance of the powers conferred upon him under Section 2 of the Mines & Oil fields & Mineral Department (Government Control) Act, 1948, read with Rule 3(2) of the Punjab Mining Concession Rules, 2002, the Governor of the Punjab is pleased to constitute the Mines Committee in respect of Large Scale Mining, comprising the following members:

- | | |
|---|-------------------|
| 1. Director General, Mines & Minerals, Punjab | Chairman |
| 2. Chief Inspector of Mines, Punjab or his nominee not
below BS-18. | Member |
| 3. Director Small Mines Assistance / Titles. | Member/ Secretary |
| 4. Director Environmental Facilitation. | Member |
| 5. Director Resource Mapping. | Member |
| 6. Deputy Director General, Geological Survey of
Pakistan, Lahore or his nominee not Below BS-18. | Member |
| 7. Additional Secretary (Forest Department) or his
nominee not below the rank of Deputy Secretary. | Member |
| 8. Additional Secretary (Finance Department) or his
nominee not below the rank of Deputy Secretary | Member |

2. The Mines Committee shall have power to grant exploration license, mineral deposit retention license and mining leases for all minerals or group of minerals. The committee shall have power to grant further renewal of all the titles.

3. Four members including the Chairman will constitute the quorum of the Committee.

SHAHID RASHID
SECRETARY
INDUSTRIES, MINES & MINERALS
DEPARTMENT

.....
Below Mines Committee reconstituted vide No.SOT(M&MD)5-2/2002 Vol:II dated 27.10.2006 (Page)

GOVERNMENT OF THE PUNJAB
INDUSTRIES, MINES & MINERALS
DEPARTMENT

Dated Lahore, the 09th September, 2002.

NOTIFICATION

No.V(IM&MD)5-2/2002: In pursuance of the powers conferred upon him under Section 2 of the Mines & Oil fields & Mineral Department (Government Control) Act 1948, read with Rule 3(2) of the Punjab Mining Concession Rules, 2002, the Governor of the Punjab is pleased to re-constitute the Mines Committee comprising the following members:

- | | |
|--|----------------------|
| 1. Director, Mines & Minerals/L.A. for Small Mines Assistance / Titles. | Chairman |
| 2. Chief Inspector of Mines or his representative not below the rank of grade-17. | Member |
| 3. Director (Resource Mapping) | Member |
| 4. Director (Environmental Facilitation). | Member |
| 5. Deputy Secretary (Finance Department) or his representative not below the rank of grade-17. | Member |
| 6. Deputy Secretary (Forest Department) or his representative not below the rank of grade-17. | Member |
| 7. Deputy Director (Mines & Minerals), Headquarter Office. | Secretary/
Member |

2. The Mines Committee shall have powers to grant Prospecting Licenses/Mining Leases/Conversion of Prospecting License into Mining lease for Rock Salt, Coal, Limestone, Dolomite and Metallic Minerals. It shall also have powers to allow renewal of Mining Leases in respect of all minerals included in small scale mining undertakings.

3. Four members, including Chairman, will constitute the quorum of the Committee.

Sd/-

SHAHID RASHID
SECRETARY
INDUSTRIES, MINES & MINERALS
DEPARTMENT

.....

GOVERNMENT OF THE PUNJAB
INDUSTRIES, MINES & MINERALS
DEPARTMENT.

Dated Lahore, the 09th September, 2002.

NOTIFICATION

No. V(IM&MD)6-2/87(Vol-II). In exercise of the powers conferred upon him under Rule 194 of the Punjab Mining Concession Rules, 2002 and in supersession of the Government of the Punjab, Industries Mines & Minerals Development Department's Notification No.V(I&MD)6-2/87(Vol-II) dated 8.9.2001, and in partial modification in notification No. V(IM&MD)6-2/87 (Vol-II) dated 28.3.2002, the Governor of the Punjab is pleased to constitute the Auction Committee as follows in each District to conduct auction of leases for minor minerals, with immediate effect.-

i)	Executive District Officer (Revenue) or his nominee not below BS-17.	Chairman
ii)	Representative of the Directorate General of Mines & Minerals, Punjab or his nominee not below BS-17.	Secretary
iii)	Representative of the Forest Department, Government of Punjab or his nominee not below BS-17.	Member.
iv)	Representative of the Irrigation & Power Department, Government of the Punjab or his nominee not below BS-17.	Member.
v)	Representative of the Environment Protection Department, Government of Punjab or his nominee not below BS-17.	Member.
vi)	Representative of the Inspectorate of Mines or his nominee not below BS-17.	Member.

Sd/-
SHAHID RASHID
Secretary IM&M Department.

.....
GOVERNMENT OF THE PUNJAB
INDUSTRIES, MINES AND MINERALS
DEPARTMENT

Dated Lahore, the 09th December, 2002.

NOTIFICATION

No. V(IM&MD)5-25/2001: In pursuance of the provision of Rule 141 of Punjab Mining Concession Rules, 2002, the Governor of the Punjab has been pleased to approve collection of royalty on major minerals leases granted in Punjab through open auction on the following terms and conditions with immediate effect.-

1. Only registered contractors shall be allowed to participate in the auction;
2. Registration fee of Rs.2000/- (Two thousand rupees only-non-refundable will be charged).
3. Registration will be valid for a period of one year;
4. Registration shall be renewable on payment of Rs.1000/- per year. Applicant shall provide attested copy of National Identity Card and Income Tax Registration Certificate for registration.
5. Rights for collection of royalty will be auctioned in the Directorate General, Mines and Minerals, Punjab, Lahore under supervision of the following Auction Committee-

- | | | |
|------|---|-----------------------|
| i) | Director, Administration | Chairman |
| ii) | Deputy Secretary, Industries, Mines & Minerals
Department, Government of the Punjab, Lahore. | Member. |
| iii) | Deputy Director (Small Mines Assistance),
Headquarter's Office, Lahore. | Member /
Secretary |
| iv) | Deputy Director, Mines & Minerals of the
concerned Region. | Member. |
| v) | Accounts Officer, Headquarter's Office, Lahore. | Member. |
6. Intending bidder will deposit Rs.5,00,000/- (Five lacs rupees only) as earnest money in shape of pay order in favour of Director General, Mines & Minerals Punjab. Earnest Money will be refunded after finalization of the bid.
 7. Highest bidder will pay 1/4th of the bid money in shape of pay order at the fall of hammer;
 8. On approval/acceptance of the bid, highest bidder will be required to deposit 25% of the bid money as security in the form of Term Deposit Receipt, CDR or Defence Saving Certificate pledged in the name of Director General, Mines & Minerals, Punjab, Lahore.
 9. Royalty Contractor shall deposit remaining bid money, in advance, in three equal, quarterly installments;
 10. If contractor fails to deposit the installment within 30 days after the due date, his contract will be terminated forthwith and security deposited by him will be forfeited in favour of the Government;
 11. Period of royalty, collection contract will be one year. The contract will be re-auctioned for the next year well before its date of expiry. If auction or grant of contract is delayed, Director General, Mines & Minerals may extend the contract for a period of 3 months after recording reasons and subject to payment of proportionate bid money in advance. Extension beyond 3 months will only be granted after approval of the Government;
 12. Royalty Contractor may establish check posts for the purpose of collection of royalty within the boundary of the assigned District. He shall intimate the location and number of check posts to Director General, Mines & Minerals, Punjab within 10 days of grant of contract. Any change in location or number of check posts, will be intimated to Director General, Mines & Minerals, Punjab immediately;
 13. Royalty contractor will not interfere in the working of Lessees / Concessionaires;
 14. Royalty contractor shall collect royalty according to prescribed rates / schedule notified by the Government;
 15. In case of any dispute between Royalty Contractor and Concessionaires, matter shall be referred to Director General, Mines & Minerals, Punjab, Lahore for decision;
 16. If aggrieved by order of Director General, Mines & Minerals, Punjab, Lahore Royalty Contractor / Concessionaire may file a representation before Secretary, Industries, Mines & Minerals Department, Government of the Punjab, Lahore within 30 days from the date of communication of orders of Director General.

Sd/-

(SHAHID RASHID)

Secretary

Industries, Mines & Minerals
Department

.....

GOVERNMENT OF THE PUNJAB
INDUSTRIES, MINES & MINERALS
DEPARTMENT.

Dated Lahore, the 26th April, 2003.

NOTIFICATION

No. V(IM&MD)3-21/95-Vol-III. In pursuance of Rule 189 of the Punjab Mining Concession Rules 2002, Mineral Development Board is reconstituted comprising the following:-

1)	Minister for Mines & Minerals, Punjab.	Chairman
2)	Secretary, Industries, Mines & Minerals Department.	Vice Chairman
3)	Director General, Mines & Minerals, Punjab.	
4)	Chief Inspector of Mines, Punjab.	
5)	Managing Director, Punjab Mineral Development Corporation (PUNJMIN)	
6)	Chairman, Mining Engineering Department, University of Engineering & Technology, Lahore.	
7)	Mr. Bashir Ahmad Gill, Ex-Deputy M.D. PUNJMIN, 259-N, Model Town Ext. Lahore.	
8)	Mr. Azmat Baig, Ex-Additional Director (DI&MD), 86-A, Ahmad Block, New Garden Town, Lahore.	
9)	Sardar Farooq Hayat, M/s. Wah Stone & Lime Industries, Hassanabdal District Attock.	
10.	Mr. Naeem Tahir, M/s. A. Majeed and Company, Choa Saidan Shah, District Chakwal.	
11)	Mr. Aitzaz Ahmad Sheikh, M/s. Ghani Corporation, 49-Shadman, Lahore.	
12)	Director (Admn.) Directorate General of Mines & Minerals, Punjab, Lahore.	

2. Chairman, Mineral Development Board may co-opt any additional members as and when required.

3. The Secretary, Industries, Mines and Minerals Department (Vice Chairman) will act as Chairman of Mineral Development Board in absence of Minister, Mines & Minerals, Punjab.

4. The Terms of Reference of the Mineral Development Board are as under:-

- i) To assist the Mineral Investment Facilitation Authority (MIFA) in regard to its performance and functions.
- ii) To assist the Department in making policies and programmes which actively encourage the exploration, development, production and use of mineral resources taking into account economic, social and environmental implications.
- iii) To review and recommend schemes for infrastructure development in the potential mining areas and restoration/rehabilitation of abandoned mining sites.
- iv) To advice establishment of secondary and tertiary processing facilities.
- v) Any other function assigned by the Government.

Sd/-

SHAHID RASHID

Secretary

Industries, Mines & Minerals Department
Punjab, Lahore.

.....

GOVERNMENT OF THE PUNJAB
INDUSTRIES, MINES & MINERALS
DEPARTMENT

Dated Lahore, the 9th May, 2003.

NOTIFICATION

No.V(IM&M)6—1/96. In exercise of the powers conferred upon him under the provisions of the Punjab Mining Concession Rules, 2002 and in supersession of this Department's Notification No.V(IM&MD)6—1/86 dated 28.3.2003, the Governor of the Punjab is pleased to prescribe the following rates of fees/rent under the Rules indicated against each: -

Rule No.	Description of Fee/Rent	Prescribed Rate
96(1)(a)	Application Fee.	Rs.2000/- (Rupees two thousand only) both for a mining lease or a prospecting license.
96(1)(d)	Cost of Plans.	Rs.500/- (Rupees five hundred only).
100(2)	Inspection Fee.	Rs.100/- (Rupees one hundred only).
109(1)	Assignment Fee.	Rs.5,000/- (Rupees five thousand only) for coal and Rs.2000/- (Rupees two thousand only) for other minerals.
110(1)	Security	d) Rs.1000/- (Rupees one thousand only) for prospecting license. e) Rs.10/- (Rupees ten only) per acre subject to the minimum of Rs.5000/- (Rupees five thousand only) for mining lease of coal. f) Rs.3000/- (Rupees three thousand only) for mining lease of other minerals.
126(1)	Annual Fee.	Rs.3/- (Rupees three only) per acre per annum. The fee shall be enhanced by 50% over the last fee paid each time the license is renewed. The fee shall be paid in advance for each year of renewal of prospecting license.
135	Dead Rent.	Rs.10/- (Rupees ten only) per acre per annum for coal and limestone and Rs.4/- (Rupees four only) per acre per annum for other minerals.
185(1)	Appeal Fee.	1000/- (Rupees one thousand only).
185(A)	Revision Fee	1500/- (Rupees one thousand five hundred only)

Sd/-
SHAHID RASHID
Secretary,
Industries, Mines & Minerals

.....

Below Rates substituted of notification No. S.O(M)M&MD/5-3/07 dated 26.05.2009 (Page-.)

GOVERNMENT OF THE PUNJAB
MINES & MINERALS
DEPARTMENT
Dated Lahore, the 13th June, 2003

NOTIFICATION

No. SOT(M&MD)6-1/2003. In exercise of the power conferred upon him under Rule 141 of the Punjab Mining Concession Rules, 2002 and in supersession of this Department's Notification of even number dated 28.03.2002, the Governor of the Punjab is pleased to notify the following rates of Royalty for the minerals produced and carried away from the licensed/leased areas.-

Sr. No.	Name of the Minerals	Rate of Royalty per metric ton (in Rupees)
1.	Argillaceous clay	5.00
2.	Ball Clay	5.00
2.	Barytes	7.00
4.	Bauxite	16.00
5.	Bentonite	17.00
6.	Brine	20.00 (solid mineral contents only)
7.	Calcite	10.00
8.	Celestite	16.00
9.	Chalk	5.00
10.	China Clay	12.00
11.	Coal	35.00
12.	Dolomite	15.00
13.	Fireclay	12.00
14.	Fuller's Earth	5.00
15.	Granite	7.00
16.	Gravel	15.00
17.	Gypsum	5.00
18.	Iron Ore	20.00
19.	Lake Salt	20.00
20.	Latrite	20.00
21.	Limestone	15.00
22.	Marble	20.00
23.	Ochres (Red/Yellow Oxide).	20.00
24.	Ordinary Sand	7.00
25.	Quartzite Stone	5.00
26.	Rock Salt	20.00
27.	Sand Stone	15.00
28.	Shale	1.50
29.	Silica Sand	10.00
30.	Slate Stone	15.00
31.	Tar Sand	20.00

IMTIAZ AHMAD CHEEMA
Secretary
Mines & Minerals Department

.....

GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT
Dated Lahore, the 29th July, 2004.

NOTIFICATION

No. SO(T)(M&MD)8-7/99. In exercise of powers conferred under Rule 190 of the Punjab Mining Concession Rules, 2002, the Government of the Punjab is pleased to declare that leases of Lime Stone in Margalla Hills area near Taxila in district Rawalpindi outside the buffer zone shall be granted through open auction for a period of five years only and Lime Stone under these grants shall be treated as a Minor Mineral for the purposes of these Rules in accordance with the terms and conditions laid down in this Department's letter No. S.O.T.(M&MD)8-7/99 dated 9th July, 2004 and shall remain exempt from the provision applicable to Major Minerals.

Sd/-

IMTIAZ AHMAD CHEEMA
SECRETARY MINES & MINERALS

.....
GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT
Dated Lahore, the 11th August, 2004.

NOTIFICATION.

No. SOT(M&MD)6-3/90. In exercise of powers conferred under Clause (XXIV) of Rule 2 of the Punjab Mining Concession Rules, 2002, it is hereby declared that in addition to minerals listed in the said clause ordinary stones like mill stone, ebyr stone, basalt, diorite, tuff or any other stone generally used for construction and building purposes shall be treated as minor mineral for the purposes of Punjab Mining Concession Rules, 2002.

(IMTIAZ AHMAD CHEEMA)
SECRETARY MINES & MINERALS

.....
GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT

Dated Lahore, the 27th October, 2004.

NOTIFICATION

No.SOT(M&MD)8-15/90(Vol-II). The Government of the Punjab is pleased to lay down the following financial qualifications and other terms and conditions for grant of six mining leases for rock salt exclusively for export purposes through open auction in pursuance of the provisions of Rule 187 of the Punjab Mining Concession Rules, 2002.

1. Terms and conditions for registration:

The intending bidders shall get themselves registered with the Directorate General of Mines & Mineral, Punjab at least one week prior to the date of open auction and only the registered bidder who fulfills the following financial qualifications will be entitled to participate in the open auction.

Financial Qualifications:

A non-refundable fee of Rs.20,000/- shall be charged for registration. Applicant shall provide attested copy of national identity card and Income Tax registration Certificate for registration.

Individual Applicants:

(I) Attested copies of fixed deposits for Rs.5 million or more in the name of the applicant.

Or

Attested copies of Defence Savings Certificates or N.I.T. Shares in the name of the applicant for the same amount.

Or

Statement of Bank transactions for a period of 12 months (not older than a month on the date of filing of application) showing a minimum closing balance of Rs.5 million and a reasonable number of transactions of the same amount during the year.

(II) Additional evidence of immovable property, to the satisfaction of the Licensing Authority, to the tune of Rs.15 million or certificate from a scheduled Bank to the effect that the applicant has the financial capacity to invest upto Rs.15 million.

Firms:

In case of firms, the evidence of financial capacity of individual partners taken together, on the scale laid down for individual applicants.

Public and Private Limited Companies:

In case of Public and Private Limited Companies, they must have a minimum paid-up capital of Rs.20.00 million.

2. **Terms and conditions for grant /auction:**

a) The open auction shall be held in the office of Director General, Mines and Minerals, Punjab on the date & time stated in the press notice and under the supervision of the following Committee:

- | | | |
|------|--|-----------|
| i) | Director General Mines and Minerals, Lahore. | Chairman. |
| ii) | A representative of the Finance Department (not below the rank of a Deputy Secretary). | Member. |
| iii) | Director Administration, Office of the D.G Mines & Minerals, Lahore. | Member. |
| iv) | Deputy Secretary, Mines & Minerals Department. | Member. |

b) The Committee will sign each and every bid sheet in the presence of bidders and will also announce the highest bid received in the auction for each area.

c) 25% of the total bid shall be deposited at the fall of hammer in the form of Pay Order/Draft drawn in favour of the Director General, Mines & Minerals, Punjab. The successful bidder will have to deposit the remaining bid money/first installment within 15 days of the issue of bid acceptance letter unless the time is duly extended by the Licensing Authority. Provided that in case the bid of an area exceeds Rs.2.00 million, the successful bidder will be required to pay the balance amount in six equal yearly installments. Provided further that in case the bid of an area exceeds Rs.5.00 million, the successful bidder will be required to pay the balance amount in fifteen equal yearly installments.

- d) The initial period of the lease will be 20 years and lease shall be renewable as per usual terms and conditions under the Punjab Mining Concession Rules, 2002.
- e) The areas have been declared proved on the basis of reports made by Geological Survey of Pakistan and survey data available in the record for which the Directorate does not take any responsibility regarding quantum of reserves. The interested parties may visit the area to verify the position on the spot before giving bids. No claim would be entertained by the Licensing Authority in this respect after offering the bid.
- f) Defaulters in the payment of dues in respect of previous mining concessions and the parties who have been blacklisted by the Directorate are not eligible for the grant of leases even if their bids are highest.
- g) The Licensing Authority reserves the right to reject any bid without assigning any reason.
- h) If aggrieved by the order of Licensing Authority, the bidders/concessionaires may file an appeal before the Director General, Mines and Minerals, Punjab under rule 185 of the Punjab Mining Concession Rules, 2002.
- i) No Bid in respect of an area for which there is any stay order from a Court of law or Appellate Authority shall be entertained.

3. **Terms and conditions of concessions:**

- a) **Performance Guarantee:**
The successful bidder shall submit a performance guarantee amounting to Rs.5,00,000/- in the form of Bank guarantee from a schedule Bank for compliance with the lessee's obligations under the Punjab Mining Concession Rules, 2002. Alternately, they may submit Defence Savings Certificates of equal amount duly endorsed in the name of Director General, Mine & Minerals, Punjab.
- b) **Period of installation of equipment:**
The lessee will install basic machinery and equipment required for mining operations as per details given in Annex-A, within a period of two years, extendable by another period of one year by the Licensing Authority on cogent reasons.
- c) **Forfeiture of guarantee:**
Failure of lessee to install machinery and equipment as envisaged in the approved development scheme within the time frame approved by the Licensing Authority will render the performance guarantee liable to forfeiture in full or a part as determined by the Licensing Authority.
- d) **Refund of guarantee:**
On complete deployment of equipment / machinery as envisaged in approved development scheme and compliance of other terms and conditions regarding environmental rehabilitation, the Licensing Authority may refund Performance Security/Guarantee to the lessee. On surrender or termination of the lease, the Licensing Authority may refund the guarantee after applying suitable deduction as per merits of the case.

e) **Use of Rock Salt:**

The lessee shall be entitled only to use the rock salt excavated by him from the leased area exclusively for export in raw form or its value added products and it shall in no way be put to any other use or direct sale locally. In case of any violation of this condition, the lease shall be liable to cancellation and the above said performance guarantee shall be confiscated by the Licensing Authority.

f) The lessee shall ensure the compliance of the following in accordance with rule 138 ibid.

i) The lessee shall work in accordance with the approved development scheme, based on room and pillar method of underground mining.

ii) The lessee shall deploy an approved magnitude of mine machinery and equipment to ensure scientific development of rock salt deposits.

iii) The lessee shall employ technical staff as approved by the Licensing Authority and Chief Inspector of Mines, Punjab under the Punjab Mining Concession Rules, 2002 and the Mines Act, 1923.

g) That the lessee shall submit an environmental impact assessment / restoration plan duly prepared by a Mining Engineer/qualified environmental expert, identifying the extent of any adverse effect which the operations of rock salt mining would be likely to have on the environment of the area with detailed proposals for controlling/reducing that effect, the prevention of pollution, the treatment and disposal of wastes, the safeguarding, reclamation and rehabilitation of land disturbed by mining operations and managing of any adverse effect of mining operations on the environment, within a period of one year of the grant of lease thereafter the lessee shall conduct his operations in accordance with this assessment and restoration plan.

4. Priority:

Preference shall be given for the grant of rock salt concessions to the established firms/companies in the private sector having a paid-up capital of Rs.20.00 million or more, and at least three years experience in the export of raw or value added rock salt products or other products.

Sd/-

(IMTIAZ AHMAD CHEEMA)
SECRETARY MINES & MINERALS

.....
Annex-A.

DETAILS OF MACHINERY & EQUIPMENT

Compressors	Two Nos.
Drill Machines	Six Nos.
Pneumatic Pick	Six Nos.
Transportation equipments like Tub/Track, etc.	
Hoists.	
Miscellaneous equipment like rubber hose pipe, undercutting machine, pumps, etc.	

.....

MINES & MINERALS DEPARTMENT
GOVERNMENT OF THE PUNJAB, LAHORE.

Dated Lahore, the 27th October, 2006.

NOTIFICATION

No. SOT(M&MD)5-2/2002 Vol:II. In pursuance of the powers conferred upon him under Section 2 of the Mines & Oil fields & Mineral Development (Government Control) Act, 1948, read with Rule 3(2) of the Punjab Mining Concession Rules, 2002 and in supersession of Notification No.SOT(IM&MD)5-2/2002, dated 9.9.2002, the Governor of the Punjab is pleased to reconstitute the Mines Committee in respect of Small Scale Mining comprising the following members:-

- | | | |
|----|--|----------------------|
| 1. | Director, Small Mines Assistance/Titles, Licensing Authority for Small Scale Mining. | Chairman |
| 2. | Deputy Secretary (Finance Department). | Member |
| 3. | Deputy Secretary (Forest Department). | Member |
| 4. | Deputy Chief Inspector of Mines, Lahore. | Member |
| 5. | Director Mines & Minerals (Environmental Facilitation). | Member |
| 6. | Manager Geological Mapping (Resource Mapping Division) Directorate General of Mines and Minerals Punjab. | Member |
| 7. | Deputy Director (Mines & Minerals) Headquarters Office, Lahore. | Secretary/
Member |
2. The Mines Committee shall have jurisdiction for the grant of Prospecting Licenses, Mining Leases and conversion of Prospecting License into Mining Leases for Minerals covered under Small Scale Mining. Four members including the Chairman will constitute the quorum of the Committee.

Sd/-

(IMTIAZ AHMAD CHEEMA)
SECRETARY MINES & MINERALS

.....
.....
Substituted vide notification No.DGM&M/DEV.CDN-I-(56)/07 dated 06.10.2008 (Page)

DIRECTOR GENERAL OF MINES
AND MINERALS, PUNJAB, LAHORE.

Dated Lahore, the January 24, 2008

NOTIFICATION

NO.DGM&M/DEV-CDN-I(56)/07.- In supersession to all the earlier Notifications in the matter, the Licensing Authority is pleased to lay-down the following policy regarding financial capability of the applicants (individual/private limited companies) regarding holding of an area and number of concessions under rules 96(1)(c), 102 and 103 of the Punjab Mining Concession Rules, 2002 with immediate effect .-

1. FOR MINING CONCESSION FOR COAL, ROCK SALT AND METALLIC MINERALS.

- i) Attested copies of documents relating to the fixed deposits, Defence Saving Certificates, NIT Shares in the name of the applicant to the extent of Rs.5.00 lac or statement of Bank transaction for a period of 12 months (not older than a month on the date of filing of application) showing a minimum closing balance of Rs.5.00 lac and reasonable number of transaction of the same amount during the year.

- ii) Evidence of immovable property duly verified by the Competent Authority to the tune of Rs.15.00 lac. In case, an applicant is unable to produce evidence of immovable property, he/she may furnish additional evidence of his/her capacity to invest cash amount of Rs.15.00 lac.
- iii) Provided in case an applicant is unable to show the cash liquidity at (i) above he/she may give additional evidence of immovable property for double the amount stated therein.

2. FOR MINING CONCESSIONS FOR ALL OTHER MINERALS.

- i) Attested copies of documents relating to the fixed deposits, Defence Saving Certificates, NIT Shares in the name of the applicant for Rs.3.00 lac or statement of Bank transactions for a period of 12 months (not older than a month on the date of filing of application) showing a minimum closing balance of Rs.3.00 lac and reasonable number of transactions of the same amount during the year.
- ii) Evidence of immovable property duly verified by the Competent Authority to the tune of Rs.10.00 lac. In case, an applicant is unable to produce evidence of immovable property he/she may furnish additional evidence of his/her capacity to invest cash amount of Rs.10.00 lac.
- iii) Provided in case an applicant is unable to show the cash liquidity at 2(i) above he/she may give additional evidence of immovable property for double the amount stated therein.

3. In case of private limited companies, proper evidence of paid up capital at least 5 million, duly verified by the relevant Authority not older than one year shall be furnished.

4. The Licensing Authority also considers it expedient to lay down, with immediate effect, the policy regarding holding of an area and number of mining concessions by a person under the rules *ibid*, that

- a. No applicant or his/her family combined, from the private sector shall be granted more than five mining concessions.
- b. Area granted under prospecting license/mining lease to an individual or firm will range from 200 to 1000 acres in case of coal and 50 to 300 acres for all other minerals.
- c. Mining Leases granted through sealed tender will not be counted towards the holding of the party/firm.
- d. The holding of share upto 10% by a person/Director of a firm will not be counted towards total concessions granted.
- e. The maximum and minimum limits regarding size of the area under a prospecting license/mining lease granted for coal will be from 200 to 1500 acres to a private limited company or to an individual having financial capability/capital of Rs.5.0 million. For all other minerals, it will be from 50 to 300 acres respectively.
- f. For rock salt, the minimum and maximum limit of the area under a prospecting license or mining lease shall be 50 to 500 acres.
- g. No extension to a licensed/leased area will be granted beyond the maximum limit of acreage prescribed for various minerals.
- h. Grant of concessions to a private limited company will be subject to its performance. In case of satisfactory performance adjudged by Licensing Authority, private limited company can hold any number of concessions.

- i. No restriction regarding holding of number of concessions, will be applicable to the joint stock companies having minimum paid up capital of 20 million rupees. Their applications will be decided on the basis of their performance in the earlier granted areas.

Sd/-

(MUHAMMAD ASLAM)
DIRECTOR SMALL MINES ASISTANCE/
TITLES, PUNJAB, LAHORE.

.....
DIRECTOR GENERAL OF MINES
AND MINERALS, PUNJAB, LAHORE

Dated Lahore, the October 06, 2008

NOTIFICATION

NO.DGM&M/DEV-CDN-I(56)/07.- In supersession to all the earlier Notifications in the matter, the Licensing Authority is hereby pleased to lay-down the following policy regarding financial capability of the applicants (individual/private limited companies/registered firm) holding of an area and number of mining concessions under rules 96(1)(c), 102 and 103 of the Punjab Mining Concession Rules, 2002 with immediate effect .-

1. FOR MINING CONCESSION FOR COAL, ROCK SALT AND METALLIC MINERALS.

- i) Attested copies of documents relating to the fixed deposits, Defence Saving Certificates, NIT Shares in the name of the applicant (individual or partnership firm) to the extent of Rs.7.00 lac or statement of Bank transaction for a period of 12 months (not older than a month on the date of filing of application) showing a minimum closing balance of Rs.7.00 lac and reasonable number of transaction of the same amount during the year.
- ii) Evidence of immovable property duly verified by the Competent Authority to the tune of Rs.16.00 lac. In case, an applicant is unable to produce evidence of immovable property, he/she may furnish additional evidence of his/her capacity to invest cash amount of Rs.16.00 lac.
- iii) Provided in case an applicant is unable to show the cash liquidity at (i) above he/she may give additional evidence of immovable property for double the amount stated therein.

2. FOR MINING CONCESSIONS FOR ALL OTHER MINERALS.

- i) Attested copies of documents relating to the fixed deposits, Defence Saving Certificates, NIT Shares in the name of the applicant (individual/partnership firm) for Rs.3.00 lac or statement of Bank transactions for a period of 12 months (not older than a month on the date of filing of application) showing a minimum closing balance of Rs.3.00 lac and reasonable number of transactions of the same amount during the year.
- ii) Evidence of immovable property duly verified by the Competent Authority to the tune of Rs.10.00 lac. In case, an applicant is unable to produce evidence of immovable property, he/she may furnish additional evidence of his/her capacity to invest cash amount of Rs.10.00 lac.

- iii) Provided in case an applicant is unable to show the cash liquidity at 2(i) above he/she may give additional evidence of immovable property for double the amount stated therein.
3. In case of private limited companies, proper evidence of paid up capital at least 5 million, duly verified by the relevant Authority not older than one year shall be furnished.
4. The Licensing Authority also considers it expedient to lay down, with immediate effect, the policy regarding holding of an area and number of mining concessions by a person under the rules *ibid*, that
- a. No applicant or his/her family combined, from the private sector shall be granted more than three mining concessions. A partnership firm will be entitled to get maximum 4 mining concessions.
 - b. Area granted under prospecting license/mining lease to an individual or firm will range from 200 to 1000 acres in case of coal and 50 to 300 acres for all other minerals.
 - c. Mining Leases granted through sealed tender/auction will not be counted towards the holding of the party/firm.
 - d. The holding of share upto 10% by a person/Director of a firm will not be counted towards total concessions granted.
 - e. The maximum and minimum limits regarding size of the area under a prospecting license/mining lease granted for coal will be from 200 to 1500 acres to a private limited company or to an individual/firm having financial capability/capital of Rs.5.0 million. For all other minerals, it will be from 50 to 300 acres respectively.
 - f. For rock salt, the minimum and maximum limit of the area under a prospecting license or mining lease shall be 50 to 500 acres.
 - g. No extension to a licensed/leased area will be granted beyond the maximum limit of acreage prescribed for various minerals.
 - h. A private limited company shall be entitled to get six mining concessions.

Sd/-

(MUHAMMAD ASLAM)
DIRECTOR SMALL MINES ASISTANCE/
TITLES, PUNJAB, LAHORE.

.....

Substituted with Notification No. S.O(M)M&MD/5-3/07 dated 28.06.2013

**GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT**

Dated Lahore, the 26th May, 2009**NOTIFICATION**

No. S.O(M)M&MD/5-3/07. In exercise of the power conferred upon him under Rules 141 read with rule 65(1) & (2) and rule 66 of the Punjab Mining Concession Rules, 2002 and in supersession of this Department's earlier Notification of even number dated 05.05.2009, the Governor of the Punjab is pleased to fix the following rates of Royalty of the minerals produced and carried away from the licensed/leased areas, with effect from 01.06.2009.-

Sr. No.	Name of the Mineral	Rate of Royalty per metric ton
1.	Argillaceous clay	10.00 (Rupees Ten only)
2.	Ball Clay	15.00 (Rupees Fifteen only)
3.	Barytes	12.00 (Rupees Twelve only)
4.	Basalt	30.00 (Rupees Thirty only)
5.	Bauxite	30.00 (Rupees Thirty only)
6.	Bentonite	27.00 (Rupees Twenty seven only)
7.	Brine	35.00 (Rupees Thirty five only)
8.	Calcite	30.00 (Rupees Thirty only)
9.	Celestite	25.00 (Rupees Twenty five only)
10.	Chalk	30.00 (Rupees Thirty only)
11.	China Clay	25.00 (Rupees Twenty five only)
12.	Coal	55.00 (Rupees Fifty-five only)
13.	Diorite	30.00 (Rupees Thirty only)
14.	Dolomite	30.00 (Rupees Thirty only)
15.	Fireclay	36.00 (Rupees Thirty-six only)
16.	Fuller Earth	15.00 (Rupees Fifteen only)
17.	Granite	50.00 (Rupees Fifty only)
18.	Gravel	30.00 (Rupees Thirty only)
19.	Gypsum	15.00 (Rupees Fifteen only)
20.	Iron Ore	55.00 (Rupees Fifty-five only)
21.	Lack Salt	35.00 (Rupees Thirty five only)
22.	Latrite	55.00 (Rupees Fifty five only)
23.	Limestone	30.00 (Rupees Thirty only)
24.	Marble	35.00 (Rupees Thirty five only)
25.	Ocher	35.00 (Rupees Thirty five only)
26.	Ordinary Sand	20.00 (Rupees Twenty only)
27.	Quartzite	15.00 (Rupees Fifteen only)
28.	Rock Salt	35.00 (Rupees Fifty five only)
29.	Sand Stone	30.00 (Rupees Thirty only)
30.	Shale	10.00 (Rupees Ten only)
31.	Silica Sand	20.00 (Rupees Twenty only)
32.	Slate Stone	30.00 (Rupees Thirty only)
33.	Tar Sand	30.00 (Rupees Thirty only)
34.	Tuff	30.00 (Rupees Thirty only)

SAIF ULLAH CHATTHA

Secretary
Mines & Minerals

.....

GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT

Dated Lahore, the 29th January, 2010

NOTIFICATION

No.SOT(M&M)2-69/2009. In pursuance of the power conferred under Rule 195-A of the Punjab Mining Concession Rules, 2002, the Governor of the Punjab is pleased to prescribe the following schedule rates of Sand / Ghassar for each district in the Province.-

Sr. No.	Name of District	Name of Minerals	Schedule Rate (per 100 cft.)
1.	Attock	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.60/-
2.	Rawalpindi	Ordinary Sand Ghassar/Bhassar	Rs.100/- Rs.50/-
3.	Jhelum	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.60/-
4.	Chakwal	Ordinary Sand/Bhassar	Rs.160/-
5.	Chiniot	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.100/-
6.	Sargodha	Ordinary Sand Ghassar/Bhassar	Rs.200/- Rs.100/-
7.	Mianwali	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.40/-
8.	Khushab	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.150/-
9.	Narowal	Ordinary Sand Ghassar/Bhassar	Rs.200/- Rs.70/-
10.	Gujrat	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.70/-
11.	Gujranwala	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.50/-
12.	Mandi Baha-ud-Din	Ordinary Sand Ghassar/Bhassar	Rs.250/- Rs.70/-
13.	Hafizabad	Ordinary Sand Ghassar/Bhassar	Rs.225/- Rs.60/-
14.	Sialkot	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.100/-
15.	Sahiwal	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.100/-
16.	Okara	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.100/-
17.	Pakpattan	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.100/-
18.	Toba Tek Singh	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.100/-
19.	Faisalabad	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.100/-
20.	Jhang	Ordinary Sand	Rs.300/-

		Ghassar/Bhassar	Rs.100/-
21.	Bhakkar	Ordinary Sand Ghassar/Bhassar	Rs.200/- Rs.30/-
22.	D.G.Khan	Ordinary Sand Ghassar/Bhassar	Rs.200/- Rs.100/-
23.	Rajanpur	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.100/-
24.	Multan	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.100/-
25.	Khanewal	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.100/-
26.	Muzaffargarh	Ordinary Sand Ghassar/Bhassar	Rs.200/- Rs.80/-
27.	Layyah	Ordinary Sand Ghassar/Bhassar	Rs.150/- Rs.50/-
28.	Bahawalpur	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.100/-
29.	Rahim Yar Khan	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.100/-
30.	Bahawalnagar	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.100/-
31.	Vehari	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.100/-
32.	Lodhran	Ordinary Sand Ghassar/Bhassar	Rs.250/- Rs.80/-
33.	Lahore	Ordinary Sand Ghassar/Bhassar	Rs.250/- Rs.150/-
34.	Sheikhupura	Ordinary Sand Ghassar/Bhassar	Rs.200/- Rs.150/-
35.	Kasur	Ordinary Sand Ghassar/Bhassar	Rs.300/- Rs.120/-
36.	Nankana Sahib	Ordinary Sand Ghassar/Bhassar	Rs.150/- Rs.80/-

Note.- In addition to the above schedule rates, the lessee will also charge surface rent payable to the landowner under Rule 208 of the Punjab Mining Concession Rules, 2002 which shall not exceed half of the schedule rates of the minerals.

BY THE ORDER OF THE GOVERNOR OF THE PUNJAB
SAIF ULLAH CHATTHA
Secretary Mines & Minerals

.....

GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT
Dated Lahore the 25th April, 2011

NOTIFICATION

No.SOT(M&M)6-2/87-II. In exercise of the powers conferred upon him under Rule 194 of the Punjab Mining Concession Rules, 2002 and in supersession of the Government of the Punjab, Industries Mines & Mineral Development Department's Notification No.V(I&MD)6-2/87(V-II) dated 8.9.2001, Notification of even number dated 28.3.2002 and Notification of even number dated 9.9.2002, the Governor of the Punjab is pleased to constitute the Auction Committee as follows in each district, to conduct auction of leases for minor minerals with immediate effect:

i)	Additional District Collector or his nominee not below BS-17	Chairman
ii)	Representative of the Directorate General of Mines & Minerals, Punjab or his nominee not below BS-17	Secretary
iii)	Representative of the Forest Department, Government of the Punjab or his nominee not below BS-17.	Member
iv)	Representative of the Irrigation & Power Department, Govt. of the Punjab or his nominee not below BS-17	Member
v)	Representative of the Environment Protection Department, Govt. of the Punjab or his nominee not below BS-17	Member
vi)	Representative of the Inspectorate of Mines or his nominee not below BS-17	Member

Sd/-

(SHAHID MAHMOOD)
SECRETARY MINES & MINERALS

.....
GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT
Dated Lahore the 06th February, 2013

NOTIFICATION

No. SOT (M&MD) 6-3/2013. In exercise of the powers conferred upon him under rule 66 read with rule 65(1) & (2) of the Punjab Mining Concession Rules, 2002 the Governor of the Punjab is pleased to fix the rate of Royalty for Potash Brine at 2% of the annual production of mineral at gross sale value using international benchmark.

Shahid Mahmood
Secretary, Mines & Minerals

Endst. No. & Date Even.

A copy is forwarded for information and necessary to:

- 1) All Administrative Secretaries to Government of the Punjab.
- 2) The Director General, Mines & Minerals, Punjab, Lahore
- 3) All Heads of Attached Departments in the Punjab.
- 4) All District Coordination Officers in the Punjab.

Sd/-
SECTION OFFICER
(Technical)

Endst. No. & Date Even.

A copy is forwarded to the Superintendent, Government Printing Press, Lahore for publication of the above notification in the Punjab Gazette. 200 copies of the aforesaid issue of the Gazette may please be supplied to the undersigned for official use.

Sd/-
SECTION OFFICER (TECH)

EXTRAORDINARY ISSUE

REGISTERED No. L7532



The Punjab Gazette

PUBLISHED BY AUTHORITY

LAHORE FRIDAY JUNE 28, 2013

GOVERNMENT OF THE PUNJAB
MINES & MINERALS
DEPARTMENT

Dated Lahore, the 28th June, 2013

NOTIFICATION

No. SOT/M&M/5-3/2007. In exercise of the power conferred under section 2 of the Regulation of Mines and Oil-fields and Mineral Development (Government Control) Act, 1948 (XXIV of 1948), Governor of the Punjab is pleased to direct that in the Punjab Mining Concession Rules, 2002, the following amendments shall be made:

AMENDMENTS

In the said rules, for Schedule 1, the following shall be substituted:

“Schedule 1

APPLICATION FEE

(APPLICABLE TO LARGE SCALE MINING)

(Applicable to large scale mining)

Sr. No.	Category	Application Fee	Renewal Fee
		Rs.	Rs.
1	Reconnaissance License	Rs.50,000/- (Rupees fifty thousand only)	Non- Renewable
2	Exploration License	Rs.1,00,000/- (Rupees one hundred thousand only)	-
	iii) First Renewal	-	Rs.1,50,000/- (Rupees one hundred and fifty thousand only)
	iv) Second Renewal	-	Rs.2,00,000/- (Rupees two hundred thousand only)
	iii) Amendment	Rs.1,00,000/- (Rupees one hundred thousand only)	-
3	Mineral Deposit Retention License	Rs.2,00,000/- (Rupees two hundred thousand only)	
	iii) Renewal		Rs.3,00,000/- (Rupees three hundred thousand only)
	iv) Amendment	Rs.1,00,000/- (Rupees one hundred thousand only)	
4	Mining Lease	Rs.2,00,000/- (Rupees two	

		hundred thousand only)	
	iii) Renewal		Rs.5,00,000/- (Rupees five hundred thousand only)
	iv) Amendment	Rs.2,50,000/- (Rupees two hundred and fifty thousand only)	

2. The notification shall come into force with effect from 1st July, 2013.

SECRETARY
Mines & Minerals

(Page 3067) The Punjab Gazette (Extraordinary) June 28, 2013

GOVERNMENT OF THE PUNJAB
MINES & MINERALS
DEPARTMENT
Dated Lahore, the 28th June, 2013

NOTIFICATION

No. SOT/M&M/5-3/2007. In exercise of the power conferred under section 2 of the Regulation of Mines and Oil-fields and Mineral Development (Government Control) Act, 1948 (XXIV of 1948) , Governor of the Punjab is pleased to direct that in the Punjab Mining Concession Rules, 2002, the following amendments shall be made:

AMENDMENTS

In the said rules, for Schedule 2, the following shall be substituted:

**“Schedule 2
APPLICATION FEE
(Applicable to large scale mining)**

Sr. No.	Category	Rent Rs. Per Sq. Km.	Period Year
1	Reconnaissance License	Rs2,000/- (Rupees two thousand only)	One year
2	Exploration License	Rs5,000/- (Rupees five thousand only)	1-3
	- First Renewal	Rs7,000/- (Rupees seven thousand only)	4
		Rs8,000/- (Rupees eight thousand only)	5
	- Second Renewal	Rs10,000/- (Rupees ten thousand only)	6
		Rs11,000/- (Rupees eleven thousand only)	7
		Rs12,000/- (Rupees twelve thousand only)	8
		Rs13,000/- (Rupees thirteen thousand only)	9
3	Mineral Deposit Retention License	Rs15,000/- (Rupees fifteen thousand only)	2 + 1
4	Mining Lease	Rs15,000/- (Rupees fifteen thousand only)	30 + 10

2. The notification shall come into force with effect from 1st July, 2013.

SECRETARY
Mines & Minerals

(Page 3068) The Punjab Gazette (Extraordinary) June 28, 2013

Rates substituted of notification No.V(IM&M)6-1/86 dated 09.05.2003 (Page)
GOVERNMENT OF THE PUNJAB
INDUSTRIES, MINES & MINERALS
DEPARTMENT

Dated Lahore, the 28th June, 2013

NOTIFICATION

No. SOT/M&M/5-3/2007. In exercise of the power conferred under section 2 of the Regulation of Mines and Oil-fields and Mineral Development (Government Control) Act, 1948 (XXIV of 1948) read with the provision mentioned below of the Punjab Mining Concession Rules, 2002 and in supersession of earlier notification, Governor of the Punjab is pleased to determine the rates of fee, rents, security, earnest money and others with effect from 1st July 2013, as follows:

Sr. No.	Rule No.	Description of Fee/Rent	Prescribed Rate
1.	62(1)	Obtaining copy of entry in the Title Register (Large Scale Mining)	Rs.2,000/- (Rupees two thousand only)
2.	94(1)	Appeal Fee (Large Scale Mining)	Rs.20,000/- (Rupees twenty thousand only)
3.	96(1)(a)	Application Fee	a) Rs.15,000/- (Rupees fifteen thousand only) for coal, Rock Salt and Iron Ore. b) Rs.10,000/- (Rupees ten thousand only) for other minerals.
4.	96(1)(d)	Cost of Plans (Small Scale Mining)	Rs.3,000/- (Rupees three thousand only).
5.	100(2)	Inspection Fee for Register of Application	Rs.2,000/- (Rupees two thousand only)
6.	109(1)	Assignment Fee	Rs.50,000/- (Rupees fifty thousand only) for coal & Rock Salt and Rs.25,000/- (Rupees twenty five thousand only) for other minerals.
7.	110(1)	Security	g) Rs.50,000/- (Rupees fifty thousand only) for prospecting license. h) Rs.2,00,000/- (Rupees two hundred thousand only) for mining leases of Coal and Rock Salt. i) Rs.1,00,000/- (Rupees one hundred thousand only) for mining leases of other minerals.
8.	126(1)	Annual Fee	Rs.20/- (Rupees twenty only) per acre per annum. The fee shall be enhanced by 50% over the last fee paid each year. Fee shall be paid in advance for each year.

9.	135	Dead Rent	Rs.100/- (Rupees hundred only) per acre per annum for Coal & Rock Salt and Rs.50/- (Rupees fifty only) per annum for other minerals.
10.	147(3)	Demarcation Fee	Rs.20/- (Rupees twenty only) per acre subject to the minimum of Rs.15,000/- (Rupees fifteen thousand only).
11.	175(1)	Registration of Surveyor	Rs.2,000/- (Rupees two thousand only)
12.	185(1)	Appeal Fee	Rs.5,000/- (Rupees five thousand only).
13.	185(A)	Revision	Rs.7,000/- (Rupees seven thousand only)
14.	199(i)(a)	Earnest Money	Rs.50,000/- (Rupees fifty thousand only) in the shape of pay order/deposit at call in the name of Director General Mines & Minerals, Punjab in his official capacity.
15.	212(2)	Demarcation Fee	Rs.20/- (Rupees twenty only) per acre subject to the minimum of Rs.10,000/- (Rupees ten thousand only) and maximum of Rs.50,000/- (Rupees fifty thousand only).
16.	221(1)	Assignment Fee	10% of bid money subject to the minimum of Rs.20,000/- (Rupees twenty thousand only) maximum of Rs.50,000/- (Rupees fifty thousand only)
17.	234(1)	Appeal Fee	Rs.5,000/- (Rupees five thousand only)
18.	235	Revision	Rs.7,000/- (Rupees seven thousand only)

SECRETARY
Mines & Minerals

GOVERNMENT OF THE PUNJAB
MINES & MINERALS
DEPARTMENT
Dated Lahore, the 28th June, 2013

NOTIFICATION

No. SOT/M&M/5-3/2007. In exercise of the power conferred under section 2 of the Regulation of Mines and Oil-fields and Mineral Development (Government Control) Act, 1948 (XXIV of 1948) read with rules, 65, 66 and 141 of the Punjab Mining Concession Rules, 2002 and in supersession of earlier notification, Governor of the Punjab is pleased to determine rates of royalty of the minerals produced and carried away from the licensed or leased areas with effect from 1st July 2013, as follows:

Sr. No.	Name of the Minerals	Rate of Royalty per metric ton (in Rupees)
1.	Argillaceous clay	Rs.20.00 (Rupees twenty only)
2.	Ball Clay	Rs.70.00 (Rupees seventy only)
3.	Barytes	Rs.70.00 (Rupees seventy only)
4.	Basalt	Rs.70.00 (Rupees seventy only)
5.	Bauxite	Rs.60.00 (Rupees sixty only)
6.	Bentonite	Rs.54.00 (Rupees fifty four only)
7.	Brine	Rs.70.00 (Rupees seventy only)
8.	Calcite	Rs.200.00 (Rupees two hundred only)
9.	Celestite	Rs.200.00 (Rupees two hundred only)
10.	Chalk	Rs.200.00 (Rupees two hundred only)
11.	China Clay	Rs.50.00 (Rupees fifty only)
12.	Coal	Rs.100.00 (Rupees one hundred only)
13.	Diorite	Rs.200.00 (Rupees two hundred only)
14.	Dolomite	Rs.60.00 (Rupees sixty only)
15.	Fireclay	Rs.72.00 (Rupees seventy two only)
16.	Fuller Earth	Rs.30.00 (Rupees thirty only)
17.	Granite	Rs.200.00 (Rupees two hundred only)
18.	Gravel	Rs.200.00 (Rupees two hundred only)
19.	Gypsum	Rs.30.00 (Rupees thirty only)
20.	Iron Ore	Rs.100.00 (Rupees one hundred only)
21.	Lake Salt	Rs.70.00 (Rupees seventy only)
22.	Latrite	Rs.100.00 (Rupees one hundred only)
23.	Limestone	Rs.60.00 (Rupees sixty only)
24.	Marble	Rs.200.00 (Rupees two hundred only)
25.	Ocher	Rs.70.00 (Rupees seventy only)
26.	Ordinary Sand	Rs.100.00 (Rupees one hundred only)
27.	Quartzite	Rs.30.00 (Rupees thirty only)
28.	Rock Salt	Rs.70.00 (Rupees seventy only)
29.	Sand Stone	Rs.60.00 (Rupees sixty only)
30.	Shale	Rs.20.00 (Rupees twenty only)
31.	Silica Sand	Rs.40.00 (Rupees forty only)
32.	Slate Stone	Rs.200.00 (Rupees two hundred only)
33.	Tar Sand	Rs.60.00 (Rupees sixty only)
34.	Tuff	Rs.200.00 (Rupees twenty only)
35.	Potash Brine	2% sale price using international bench marks.

Secretary
Mines & Minerals

POLICY DECISIONS

Minutes of the meeting held by the Advisor, Communications and Works, Mineral Development, Forestry and Wildlife, Sports and Tourism Departments on 18.07.1979 at 10.00 A.M. regarding grant of mining concessions in forest reserves.

The following attended the meeting.-

1. Major General (Retd) Qamar Ali Mirza, Advisor (In chair)
2. Mr. Hasan Ali Qureshi, Secretary, Government of the Punjab, Forestry & Wildlife Department.
3. Mr. Anwar Zahid, Secretary, Industries and Min. Development Department, Government of the Punjab.
4. Mr. Hasan Raza Pasha, Director of Industries and Mineral Development, Government of the Punjab.
5. Ch. Ashraf Nafees, Conservator of Forests, Rawalpindi Circle.
6. Ch. Muhammad Naseeb, Joint Director (Min. Dev.), Directorate of Industries & Mineral Development.
7. Ch. Muhammad Amir Ullah, DFO, Jhelum.
8. Mar. Obaid Ullah Khan Niazi, DFO, Attock.

Discussions were held in detail about various aspects of the grant of prospecting licenses and mining leases in forest areas. The representatives of Forest Department explained the difficulties experienced in connection with the working of the mining concessions from the view point of forest conservation. It was agreed that both forest and mineral wealth were important and working arrangements between the two Departments should be evolved so that interest of the Forests is not jeopardized while minerals are searched for and exploited for the economic development of the country.

2. The following decisions were taken.-

- i) The forest areas in all the districts where minerals exploitation is expected should be divided into three categories given below.-
 - A. Areas of high concentration of forest.
 - B. Areas which have medium concentration of forest growth.
 - C. Low priority forest areas.

A copy of the map prepared by the Forest Department will be provided by this Department to the Directorate for examination. The proposal will be finalized in a joint meeting of the Director, Industries and Minerals Development and the representative of Forest Department within a fortnight after the receipt of the Map by the Director of Industries and Mineral Development.

- ii) In respect of grant of mining concessions for surface minerals in forest areas the following procedure will be adopted.-
 - A. In category 'A' forests no mining concession for surface minerals would be granted;

- B. In case of category 'B' forests, mining concessions for surface minerals would be granted subject to the conditions imposed by the Forest Department and incorporated in the license deed/lease deed. Forest Department would supply the list of all the conditions in this regard to the Director, Industries and Mineral Development. The approved conditions will be incorporated in the license/lease deeds by the Mineral Development while granting the mining concessions. A copy of each license/lease deed will be furnished to the Forest Department.
- C. In category 'C' forests mining concessions for surface minerals will be granted without any reference to the Forest Department.
- iii) As regards the grant of mining concessions for underground minerals in forest areas the following procedure will apply.-
- a) In category 'A' forests the grant of mining concessions for underground minerals would be discouraged. Mining concessions may be granted only to those parties who are experienced and will organize having adequate financial resources and technical know-how. In such cases the NOC will be obtained from the Commissioner concerned on the basis of the joint report of Divisional Officers concerned of both the Departments. While inspecting the area the actual possibility of the existence of the mineral applied for will also be looked into. NOC shall be furnished by the Commissioner concerned within a period of three months from the date of reference to the Commissioner.
 - b) For category 'B' forests no NOC will be required prior to the grant of mining concessions for underground minerals after the conditions of the Forest Department referred to in sub-para ii(b) above has been incorporated in the lease/license.
 - c) In category 'C' forests there will be no restriction on the grant of mining concessions for underground minerals.
- iv) All conditions already existing in the Mining Concession Rules for the protection of forests will continue to apply in respect of all kinds prospecting licenses and mining leases.
- v) All the mining leases granted uptill now shall be reviewed with a view to determine economic size of each lease on the basis of the extent of

exploitation actually carried out at site so far. This exercise will be completed within three months from now by the Mineral Development Department and monthly reports in this respect furnished to the Advisor by the Mineral Development Department.

- vi) The period of leases of various minerals shall also be reviewed. Suitable period of leases will be fixed for different minerals while reviewing the existing mining leases or renewing or making fresh grants.
- vii) The present ceilings on the size of areas for prospecting licenses and mining leases in respect of different minerals will be reviewed again.
- viii) The sub-letting of the leases will be looked into by the M. D. Department and action for cancellation taken in those cases where the leases have been sub-let.
- ix) At the time of renewal of mining leases, a report will be obtained from the DFO concerned in respect of the past conduct of the lessee.
- x) Annual review of each mining concession will be held jointly by the DFO and DD/ADMD concerned in the month of July each year and any infringement of terms and conditions particularly outstanding dues of the Forest Department will be looked into and appropriate action taken. This review in respect of the financial year 1978-79 will be completed by the end of August, 1979.
- xi) The leased/licensed areas should be frequently inspected and periodical checks carried out to eliminate the instances of under-reporting of minerals and evasion of royalty on minerals.
- xii) Licenses or leases of all types for both major and minor minerals in forest areas will be granted only by the Directorate of Industries and Minerals Development, Punjab and not by the Forest Department.

The grant of ordinary sand leases in Shahdara R.F. also come under discussion and it was decided that if the excavation of the sand involves direct or indirect erosion no department will give any lease. However, the excavation of the sand from the bed of the River Ravi can be permitted by the Mineral Development Department, where direct/indirect erosion is not involved subject to restrictions by the local authorities.

.....

STATEMENT SHOWING CATEGORIZATION OF BEATS ACCORDING TO THEIR DENSITY IN ATTOCK FOREST DIVISION FOR MINING PURPOSE.

S. No.	Name of Beat	Area in acres	Category A.B.C. by D.F.O.	Category A.B.C. by A.D.M.D.
1.	Akhori (K.C.R.F)	3062	A	A
2.	Dhok Jawinda (K.C.R.F)	3996	A	A
3.	Humak (K.C.R.F)	3146	A	A
4.	Dheri Chohan (K.C.R.F)	2477	A	A
5.	Surag (K.C.R.F)	2890	A	A
6.	Chhoi (E) (K.C.R.F)	2457	A	A
7.	Chhoi (W) (K.C.R.F)	2936	A	A
8.	Ghakkar (K.C.R.F)	2264	A	A
9.	Dhok Machi (K.C.R.F)	3317	A	A
10.	Battar (K.C.R.F)	2448	A	A
11.	Jaopi (K.C.R.F)	2445	A	A
12.	Bagh Nilab I (K.C.R.F)	3428	A	A
13.	Quthal (K.C.R.F)	2335	A	A
14.	Becta (K.C.R.F)	3467	A	A
15.	Mahoorra (K.C.R.F)	5778	A	A
16.	Minhali (K.C.R.F)	5014	B	B
17.	Bagh Nilab II (K.C.R.F)	2029	B	B
18.	Sojhandra (K.C.R.F)	2552	B	B
19.	Dhok Tali (K.C.R.F)	9798	B	B
20.	Thatta I (K.C.R.F)	3854	B	B
21.	Thatta II (K.C.R.F)	3853	B	B
22.	Kalidilli (K.C.R.F)	4631	B	B
23.	Maryala (K.C.R.F)	5542	B	B
24.	Narra I (K.C.R.F)	4100	B	B
25.	Kulial R.F. (K.C.R.F)	1136	C	C
26.	Chirpar (K.C.R.F)	749	C	C
27.	Phamra Jagir (K.C.R.F)	1700	B	B
28.	Attock(N)R.F.(K.C.R.F)	2993	B	B
29.	Attock(S)R.F.(K.C.R.F)	1542	B	B
30.	Kawagarh R. F. (West)	2090	B	B
31.	Kawagarh R.F(East)	1627	B	B
32.	Kherimar R.F.(West)	1299	B	B
33.	Kherimar R.F.(East)	1200	B	B
34.	Mari R.F.	3265	B	B
35.	Jalwal A & B R. F.	1395	B	B
36.	Sawlian R. F.	4891	B	B
37.	Tawain (West) R.F.	3544	B	B
38.	Chatti (West) R.F.	3863	C	C
39.	Chatti (West) R.F.	4808	C	C
40.	Gulial IV R.F.	4550	C	C
41.	Gulial I R. F.	3900	B	B
42.	Gulial II R.F.	4200	B	B
43.	Gulial III R.F.	4340	B	B
44.	Tawin R.F. (East) I	3000	B	B
45.	Tawin (East) R.F. II	2177	B	B

46.	Gokhi R.F.	1001	C	C
47.	Narrian Injra R.F.	2778	C	C
48.	Torabara R.F.	2046	C	C
49.	Makhad (East)	3812	C	C
50.	Makhad (West)	3812	C	C
51.	Dhok Mela R.F.	2220	C	C
52.	Jangla Utran R.F.	2954	C	C
53.	Naka Kallan R.F.	1442	C	C
54.	Mara Nilhad R.F.	3074	B	B
55.	Chinji R.F.	5007	C	C
56.	Chinji II R.F.	5000	B	B
57.	Chinji III R.F.	5000	B	B
58.	Kot Kallan R.F.	2223	C	C
59.	Dani R.F.	607	C	C
60.	Bani Rama Shah R.F.	1415	C	C
61.	Faiza R.F.	1034	C	C
62.	Bhajoor R.F.	1313	C	C
63.	Sukhwian R.F.	1074	C	C
64.	Uerhi R.F.	703	C	C
65.	Naka Kabut R.F.	1587	C	C
66.	Chakwlian R.F.	718	C	C
67.	Jhatla R.F.	285	C	C
68.	Aman Pur R.F.	1387	C	C
69.	Mora R.F.	520	C	C
70.	Kherimurat R.F.	12000	C	C

Sd/-
Assistant Director Mineral
Development Attock

Sd/-
Divisional Forest Officer
Attock

No.1579/G/80 dated 1.6.80

Copy alongwith Map in duplicate forwarded to Conservator Forest, Rawalpindi Circle for information and necessary action with reference to his endt: No.2021-23/LC dated 29.3.80. The undersigned agree with terms/conditions given in the enclosure to his endt:No.1949-51/LC dated 19.3.80.

Sd/- 1/6/80
Divisional Forest Officer
Attock

.....

GOVERNMENT OF THE PUNJAB
INDUSTRIES & MINERAL DEVELOPMENT
DEPARTMENT

To

The Director,
Industries & Mineral Development,
Punjab, Lahore.
NO.V(I&MD)-5-14/83,
Lahore, the 15th November, 1983.

SUBJECT: CRITERIA FOR RENEWAL AND CONVERSION OF THE PROSPECTING LICENSE

Reference correspondence resting with your Memo No.MD/DEV/CDN-1(9)/71-83/892, dated 13th September, 1983, on the subject noted above.

2. The criteria for renewal and conversion of prospecting license proposed by you vide your letter No.MD/DEV-CDN-1(9)/71-83/784 dated 4.6.1983, detailed below, has been approved:

1. **CRITERIA FOR RENEWAL OF PROSPECTING LICENSE.**

1. Mining underground drivage of all the prospecting adits during first year of the prospecting license should be 50 meters.
2. Minimum underground drivage for all the prospecting adits during second year should be 100 meters.
3. Minimum underground drivage for all the prospecting adits during third year and subsequent year should be 150 meters.
4. Dues should be clear upto last closing period i.e. 31st July, nominal amount of outstanding dues upto Rs.300/- (Maximum) may be ignored for this purpose.
5. There should be no serious violations for the Pakistan Mining Concession Rules, such as:
 - a) Encroachment/unauthorized working outside the granted area.
 - b) Under reporting of production.
 - c) Sub-letting.

2. **CRITERIA FOR CONVERSION OF PROSPECTING LICENSE INTO MINING LEASE.**

1. The mineral should be proved in economic quality as indicated by production figures.

EXPLANATION. If the royalty on production equals to the annual fee /dead rent, then this level of production will be considered adequate for purpose of conversion of prospecting license into mining lease. For instance, the prospecting license for coal over an area of 250 acres will be considered fit for the conversion if the production reported during a term of one year is to the tune of 110 tons approximating based on the present rate of royalty on coal Rs.2.35 per ton.

2. Clearance of dues as in case of renewal of prospecting license.
3. There should be no serious violation of Pakistan Mining Concession Rules as in case of renewal of prospecting license.
4. It was further decided that on receipt of the application for conversion, intimation will be sent to the Chief Inspector of Mines, Punjab to this effect.

The Chief Inspector of Mines will inform the Committee about the appointment of Sardar / Manager by the party and its status regarding payment of excise duty or alternatively the party may produce a clearance certificate from the Chief Inspector of Mines, Punjab.

Sd/-
SECTION OFFICER (V)
For Secretary, Industries,

.....

NO.MD/ML.OK-ORD.SAND.CHAK NO.39-40/D
DIRECTORATE OF INDUSTRIES & MINERAL
DEVELOPMENT, PUNJAB, LAHORE
(MINERAL DEVELOPMENT WING)

Dated Lahore, the 23rd Sept., 1996

To,

Circulated to all field offices.

SUBJECT: **SUBMISSION OF INSPECTION REPORTS IN RESPECT OF
MINOR MINERALS.**

The Licensing Authority/undersigned has observed that inspections of areas leased out for Minor Minerals are not being carried out regularly and frequently enough. Moreover, the inspection reports are often sketchy and written in perfunctory manner. The lessees give undue advantages on the basis of such inspection reports by filing applications, appeals and revision petitions for relief under Rule 36 of the PMMC Rules, 1990 before the authorities. Often relief is granted because the number of inspections and the quality of inspection report is considered inadequate and deficient in several aspects. Too short inspection reports mentioning "Work in progress" or "Work was closed" without sufficient evidence/proof do not serve the purpose and provide opportunity to the lessees to construe such remarks in their favour. Also such reports can be written by sitting in the office without going to the field. Considerable effort, time and expenditure on account of POL, TA, DA etc. is involved in carrying out inspections. It is, therefore, important that the inspection reports should be comprehensive and should contain enough information and details so that nobody may cast doubt about their authenticity.

2. In view of the above the inspection proforma has been amended by incorporating some additional columns. A specimen of the improved inspection report proforma is attached with the direction that henceforth the inspection reports should be filled up on these proforma. It is further directed that soon after the inspection; one copy each of the report should be sent through registered post to the Deputy Director (Mineral Development) of the Region concerned and the Hqr's Office, Lahore. The inspection report should be accompanied with a copy of the notice issued to the lessees in respect of violations if observed during the inspection.

2. It is also important that number of inspections of a mining lease should be adequate. Number of inspections desired to be carried out during the whole period of leases of different values is given in the following table for compliance.-

S. No.	Amount of Lease Money (Rupees)	No. of inspection required to be carried out	Number of inspections to be carried out by DD(MD), Regional Office, SDAC & Field Staff respectively in case of {Sand/Gravel} {L. stone/Ord. stone} leases
1.	Upto ½ Lac.	Once in three months	<u>1, 3, 4</u> 2, 7, 11
2.	½ Lac to 2 Lac	Once in two months.	<u>2, 4, 6</u> 5, 10, 15
3.	2 Lac to 10 Lac	Monthly	<u>4, 8, 12</u> 10, 20, 30
4.	Above 10 Lac	Fortnightly	<u>8, 16, 24</u> 20, 50, 70

3. The first inspection in respect of all types of leases should be carried out within one month from the date of grant of the mining lease. This inspection must be carried out by the SDAC concerned if the value of the mining lease is Rs.2.0 Lac or more. In case, no work is found in a leased area, the inspecting officer shall investigate the reasons for the same and record evidence in this respect. Such areas shall be inspected more frequently specially by higher officers. The officers from Hqr's Office may also inspect such areas as well as those in operation in addition to the inspections required to be carried out by the officers/officials of the field offices as given in the above table.

4. For the purpose of monitoring, each field office should display the lists of valid mining leases of different values (Separate list for each category) showing lease number, the lease money and the date of grant and in the rest of the space before each lease entry, the date of inspection may be written as soon as the inspection report is received. The valuable un-allotted/vacant areas should also be included in the lists and inspected in order to keep constant surveillance to ensure that no unauthorized activity takes place therein. The dates of inspections should be underlined in different colours according to the status of the officers/officials carrying out the inspections. The inspection dates where no work is observed may be circled in red, so that such areas may be inspected more often.

5. The performance of the officers will be adjudged on the basis of inspections carried out by them and will be reflected in their annual confidential reports.

Sd/-

(Muhammad Naseeb)

Additional Director (Mineral Development)/
Licensing Authority, Punjab.

.....

انسپیکشن رپورٹ

1-	پٹہ نمبر	_____
2-	نام پٹہ دار بمعہ	_____
3-	رقبہ تعدادی	_____
4-	تاریخ اجراء	_____
5-	مالیت	_____
6-	تاریخ قسط واجب	_____
7-	تاریخ ادائیگی	_____
8-	تاریخ	_____
9-	سابقہ تواریخ معائنہ	_____
10-	رپورٹ معائنہ	_____
الف-	موقع پر موجود پٹہ دار / ذمہ دار منشی / ذمہ دار نمائندہ کے کوائف	_____
	نام و پتہ	_____
	شناختی کارڈ نمبر	_____

نوٹ: اتھارٹی لیٹر کی کاپی بحق ذمہ دار نمائندہ لف ہے۔

ب۔ اگر کام چل رہا ہو تو موقع پر موجود گاڑیوں کے کوائف:

گاڑی	ڈرائیور کا نام	شناختی کارڈ	تاریخ بندش کام	بندش کی وجہ	دستخط / نشان
نمبر	و پتہ	نمبر	انگوٹھا		

دستخط پٹہ دار / نمائندہ

ج۔ اگر کام نہ چل رہا ہو تو مقامی لوگوں کے بیانات بمعہ کوائف
ڈرائیور کا نام و شناختی کارڈ تاریخ بندش کام بندش کی وجہ دستخط / نشان
پتہ نمبر انگوٹھا

11- تاثرات معقنہ کنندہ آفیسر

دستخط پٹہ دار / نمائندہ

دستخط معائنہ کنندہ آفیسر بمعہ عہدہ

تظہیر نمبر ایم ایل / ڈی ڈی ایم اینڈ عام ریت () مورخہ _____
ایم _____

جناب ڈائریکٹ لائسنسنگ ادنیٰ معدنیات پنجاب لاہور

اسسٹنٹ ڈائریکٹر / ڈپٹی ڈائریکٹر

مائنز اینڈ منرلز _____

The given below minutes is a policy decision regarding mining leases of ordinary sand over canal beds. These were circulated vide letter No. MD/MM/ORD. SAND (GENERAL/CANALS)99/218-219 dated 22.10.1999.

MINUTES OF THE MEETING HELD IN THE OFFICE OF THE DIRECTOR OF INDUSTRIES AND MINERAL DEVELOPMENT, PUNJAB, LAHORE ON

8.10.1999 AT 10.00 A.M. REGARDING GRANT OF SAND MINING LEASES OVER CANALS/CHANNELS.

A meeting was held on 8.10.1999 at 10:00 a.m. in continue to the previous meeting dated 28.9.1999 to discuss the grant of sand mining leases over Canals/Channels. The following attended.-

1. Rai Ijaz Ali Zaigham,
Director of Industries & Mineral Development, Punjab, Lahore.
2. Ch. Abdul Majid,
Chief Engineer, Lahore Zone.
3. Mr. M. Azmat Beg,
Additional Director (Mineral Development), Punjab, Lahore.
4. Mr. I. H. Qureshi,
Additional Director (Mineral Development), Punjab, Lahore.
5. Sh. Abdul Sami,
Superintending Engineer, Lahore Drainage Circle, Lahore.
6. Ch. Amjad Ali,
Joint Director (Minor Minerals), Punjab, Lahore.
7. Mr. Haroon Ahmad Khan,
XEN, Lahore Drainage Division.
8. Mr. Afzaal Hameed Butt,
Deputy Director Mineral Development, Lahore Region, Lahore.

6. Opening the discussion, the Chief Engineer Lahore Zone, gave NOC for grant of sand lease over Upper Chenab Canal Block subject to payment of security by the lessee to the Irrigation Department, incorporation of agreed conditions in the allotment letter and execution of an agreement by the lessee with the concerned XEN, Irrigation. The Chief Engineer also handed over letter No. W.I.LHR/99/21941-42/27/70 dated 7.10.1999 containing general conditions for auction of sand leases in canals/channels and draft agreement to be executed between the lessee and the concerned XEN, Irrigation.

3. After deliberations the following general conditions were agreed. It was decided that the general conditions mutually agreed upon, (conditions No. i-iv) will be incorporated in the terms and conditions of auction as well as in the allotment letter.-

- i) The lessee shall seek prior approval of concerned Executive Engineer of Irrigation Department for the quantity of sand to be mined on the basis of bed levels and long section of canal observed during the last annual closure.
- ii) Sand mining will be carried out within middle half of bed width and upto as demarcated designed Bed level by the representative of Irrigation & Power Department not below the rank of Sub-Engineer.
- iii) No sand mining shall be done 200 feet upstream and 500 feet down-stream of a structure.
- iv) Damages, if any, caused to the banks/structures shall be restored by the lessee at his cost within closure period for which security shall be deposited by the lessee with the concerned Executive Engineer, Irrigation as determined by the Executive Engineer. No sand mining activities from lined beaches of any Canal shall be carried out by the lessee.
- v) Copy of auction notice being publicized containing schedule and list of blocks will be provided to the Chief Engineer, Lahore Zone and concerned XEN of Irrigation Department. In case no request for deletion, at least 15 days before auction, is received, the blocks will be auctioned. Such a request for deletion of sand blocks, if any, shall be indicated by the

concerned XEN to the Directorate of Industries and Mineral Development, Punjab each year at least three months before the closure i.e. upto 15th July for Marala Ravi Link Sand Blocks and 15th of September for the remaining blocks over Canals/Channels. If no such request is received from the Irrigation & Power Department by the due dates, the sand blocks over Canals/Channels will be auctioned as per schedule.

- vi) Receipts of Industries and Mineral Development Department are deposited in the Provincial Government consolidated fund. Its distribution at this level is not possible. If Irrigation Department considers it appropriate, they may take up the matter with the Finance Department through Industries and Mineral Development Department.
 - vii) The Industries and Mineral Development Department will provide a list of blocks to be auctioned to the Chief Engineer, Lahore Zone, Irrigation Department and Secretary, Irrigation & Power Department, Government of the Punjab and similarly Irrigation and Power Department will provide District-wise/Channel-wise jurisdiction of the Executive Engineer concerned who will attend the auction proceedings at district level.
4. Conditions of agreement to be excavated between the lessee and concerned Executive Engineer, Irrigation Department were also finalized as under.-
- i) The lessee shall deposit security in the form of Call Deposit from any scheduled bank to the tune of Rs.1,000/- per R.D. of canal length auctioned and Rs.500/- per exit/entry for sand mining and execute an agreement within seven days from the date of issuance of allotment letter with the concerned Executive Engineer of Irrigation.
 - ii) The mining contractor shall not enter the canal prism by cutting the canal banks and beams and shall construct adequate ramps. These constructed ramps shall be removed by the mining contractor before the expiry of Annual Canal Closures. In case of failure to do so, the Irrigation & Power Department will have the right to get these ramps removed at the risk and cost of mining contractor.
 - iii) The mining contractor shall be responsible for proper maintenance of Canal Banks and Road during the period of sand mining. He shall also be responsible for making the damages good to canal banks and structures caused by the use of his machinery, equipment and vehicles etc. during the process of sand mining. In case of failure to do so the Irrigation and Power Department will have the right to get the damaged canals and (or) structures repaired at the risk and cost of mining contractor.
 - iv) The mining contractor will not stock pile the sand within the right of way of the canal.
 - v) The security deposited be refunded on expiry/termination of lease after adjusting expenses incurred on repair / on account of damage, if any, caused during the operation of sand mining.

It was decided that the lessee shall execute an agreement with the concerned Executive Engineer, Irrigation and Power Department before starting mining operation in the sand leases granted over Canals/Channels.

5. It was also decided that a complete list of granted/vacated blocks with plans are sent by the Directorate of Industries and Mineral Development to the Chief Engineer, Lahore Zone as well as Secretary, Irrigation and Power Department with the request to indicate block(s), if any, to be deleted. Such a request from the Irrigation and Power Department may be made at least three months before the closure dates of Canals/Channels i.e. upto 15th July, in case of Marala Ravi Link Canal and 15th of September in case of remaining blocks over Canals/Channels. If no such request is

received by the due dates from the Irrigation and Power Department, the Directorate of Industries and Mineral Development will go ahead to auction the leases over Canals/Channels as per schedule.

6. No decision was taken regarding reduction in limits of banned area over River Ravi. The chair desired that next meeting be arranged by the Irrigation and Power Department indicating suitable venue, date and time.

ضمیمہ الف

اضافی شرائط نیلام بابت رقبہ جات انہار۔

- 1- نمبر 1۔ پٹہ دار مقدار قابل نکاسی ریت کی متعلقہ ایکسیئن انہار سے باضابطہ پیشگی منظوری بمطابق مشاہدات دوران سابق نہر بندی، نہر کی تہ کی سطح اور اس کے سیکشن حاصل کرنے کا پابند ہوگا۔
- 2- نمبر 2۔ ریت کی نکاسی محکمہ انہار کے سب انجینئر یا افسر بالا کی متعینہ نشاندہی کی سطح کے مطابق صرف نہر کی چوڑائی کے درمیانی نصف حصہ سے کی جائے گی۔
- 3- نمبر 3۔ نہر پر موجود کسی بھی تعمیر سے 200 فٹ بالائی جانب اور 500 فٹ زیریں جانب تک کوئی نکاسی ریت نہیں کی جائے گی۔
- 4- نمبر 4۔ پٹہ دار کی نکاسی ریت کے کام سے نہر کے کناروں / تعمیرات کو پہنچنے والے نقصانات، اگر کوئی ہوں، کی تلافی / بحالی پٹہ دار اپنے خرچ پر دوران عرصہ نہر بندی کرے گا جس کے لئے اسے متعلقہ ایکسیئن محکمہ آبپاشی کے پاس اس کی طرف سے مقرر کردہ زر ضمانت جمع کروانا ہوگی۔ نیز پٹہ دار نکاسی ریت سے متعلقہ کوئی کام نہر کے پختہ حصوں سے نہیں کرے گا۔
- 5- نمبر 5۔ پٹہ دار کسی بھی شیڈولڈ بنک کی جاری کردہ کال ڈیپازٹ کی صورت میں زر ضمانت مبلغ -/10000 روپے فی آرڈی نیلام شدہ نہر اور مبلغ -/5000 روپے فی راستہ داخل / خارج متعلقہ ایکسیئن کے پاس جمع کروا کر الاٹمنٹ لیٹر کے اجراء کے سات یوم کے اندر متعلقہ ایکسیئن محکمہ آبپاشی کے ساتھ (محفوظ) نکاسی ریت کے لئے ایک معاہدہ کا پابند ہوگا۔

**GOVERNMENT OF THE PUNJAB
DIRECTOR GENERAL OF MINES AND MINERALS
POONCH HOUSE MULTAN ROAD, LAHORE**

APPLICATION FORM

FOR

**A Prospecting License or a Mining Lease.
Under Rule 95 (1) of Punjab Mining
Concession Rules, 2002.**

- (1) Name (s) of Applicant(s)
in Full.
- (2) (i) If application is by an Individual:
- (a) Address.....
- (b) Nationality.....
- (c) I.D. Card No..... and
attested Photo copy.
- (d) Occupation.....
- (e) Financial
capability.....
(attach documentary evidence)
- (ii) If application is by a firm.
- | | (a) | Name of
Partner | I.D.
Card
No. | Nationality | Share
holdin
g |
|--|-----|---|---------------------|-------------|----------------------|
| | | | | | |
| | (a) | Registered.....
address
of.....
the
firm..... | | | |
| | (b) | Financial.....
capability.....
.....
(Attach documentary evidence)
(attach attested copies of
I.D. Card of
Partners/Registration
Certificate and
authenticated copy of the
Partnership deed) | | | |
- (iii) If application is by a Private/ Public Limited Company:
- (a) Principal
.....
place of business.
- (b) Nature
of.....
Business

(c) Authorized.....
 subscribed.....
 and paid-up.....
 Capital:

(d) Names of I.D. Nationality Share-
 Directors Card holding
 No.

.....

(Attach verified copies of memorandum and Articles of Association and a list of all the share-holders showing extent of share holding alongwith attested copies of I.D. Cards of the Directors).

.....

- (3) Mineral for which a Prospecting License or Mining Lease is required.
- (4) Whether a Prospecting License or a Mining Lease is required.
- (5) Period for which lease is required.
- (6) Size and location of the area for which application is made (Give number of survey of Pakistan Map).
- (7) Details of Prospecting License (s) or Mining Lease (s) already held in or outside Pakistan.
- (8) Names and qualifications of technical experts or advisers.
- (9) If the application is by a company incorporated outside Pakistan, state full particulars of the Company to be incorporated in Pakistan. (Give particulars similar to those specified in column. 2 (iii) & 8 above in respect of the Company incorporated in Pakistan.

Documentary evidence of incorporation of the company in Pakistan should be furnished alongwith a copy of the Memorandum and Articles of Association and Prospects of the Company.

(10) Do you desire the Licensing Authority to prepare a map of the area applied/ granted at your expense.

(11) Fee paid:	Amount	T.C. No.	Date	Treasury
(i) Application Fee.
(ii) Cost of Plans.

(12) Any Special remarks.

(13) To be used in case of Assignment of the Mining Lease/ Prospecting License.

Signature(s) of Assignor
Party with stamp.

Signature (s) of Assignee
Party with Stamp.

Both parties signed in presence of _____
Signature of the Officer _____

(14) I/We hereby declare, that all the foregoing particulars are correct, I/We hereby solemnly declare in the event of the licensing Authority granting me/us the required license/lease. I/We will abstain activity whatsoever affecting the sovereignty or security of Pakistan or such as may be tantamount to interference in its internal affairs and that I/We will eschew espionage. I/We further undertake that in case any information given in the application found incorrect, the Licensing Authority shall have right to reject the Application forthwith. In the event of any violation of above undertaking by me/us the Licensing Authority shall have the right to cancel the license/lease.

Provided that any dispute as to whether any of my/our activities can consider as a violation of this undertaking shall be subject to appeal in accordance with rule 185 of the Punjab Mining Concession Rules, 2002 and the appropriate clause in the license/Lease.

Date.....

Signature (s) of
Applicant (s)
With Stamp.

.....

NO.DEMM/DEV-CDN-I(22)/2002
DIRECTORATE GENERAL OF MINES & MINERALS,
LAHORE.

Dated Lahore, the 1.4.2002

To,

Circulated to all field offices.

SUBJECT: DELEGATION OF POWERS UNDER THE PUNJAB MINING CONCESSION RULES, 2002.

It has been decided to delegate the powers conferred upon the Licensing Authority under various provisions of the Punjab Mining Concession Rules, 2002 to the Field Officers of the Directorate General, Mines and Minerals, Punjab, as under.-

Rule No.	Description	Officer Authorised to exercise the power
202	Refund of earnest money	Secretary, District Auction Committee concerned
207(2)	Authority to resume possession	Secretary, District Auction Committee concerned.
212(1)	Power to impose penalty for failure on part of a lessee to erect or maintain the boundary pillars	The Deputy Director (Mineral Development) incharge of the Regional Office concerned.
221(2)	Authority to receive the assignment application	Head of the Regional Office / Sub Office concerned
223(1)	Authority to take over possession of the area	Secretary, District Auction Committee concerned.
229(2)	Power to impose penalty for failure on part of a lessee to issue despatch slip	The Deputy Director (Mineral Development) incharge of the Regional Office concerned
231(1)	Authority to assume possession of the area	Secretary, District Auction Committee concerned.

Sd/-Ch. Muhammad Aslam
Deputy Director (Mineral Development)
For Director General Mines & Minerals, Punjab, Lahore.

.....

NO.DGM&M/DEV-CDN-I(22)/2002/34
DIRECTORATE GENERAL OF MINES & MINERALS,
PUNJAB

Dated Lahore, the 01.04.2002

To

All the Offices of Mineral
Development in Punjab.

**SUBJECT.- APPLICATION FOR REGISTRATION FOR PARTICIPATION IN
AUCTION FOR GRANT OF MINING LEASES FOR MINOR
MINERALS.**

I am to refer to rule 199 of the Punjab Mining Concession Rules, 2002 and to state that an application form for registration of intending bidders for participation in auction of minor minerals has been set out. A copy of the said application form is enclosed herewith for further necessary action.

Sd/-
(CH. MUHAMMAD ASLAM)
DEPUTY DIRECTOR (MINERAL DEVELOPMENT)
FOR DIRECTOR GENERAL, MINES AND MINERAL, PUNJAB,
LAHORE

.....
APPLICATION FOR REGISTRATION FOR PARTICIPATION IN AUCTION
FOR GRANT OF MINING LEASE FOR MINOR MINERALS IN
DISTRICT.....TO BE HELD ON

1. Name of the applicant, firm/company. _____
2. Address. _____
3. Names, father's name and address of partners/directors with Identity Card No. (Please enclose attested copies of the Identity Cards). _____
4. Registration No. of Firm/Company (Please enclosed an attested copy of Regd. Partnership deed / Article & Memorandum of Association) _____
5. No. of mining lease(s) held by applicant or its partners. _____
6. Earnest money (Please enclosed original copy of pay order). _____
7. Copy of income tax registration certificate. _____
8. I/We solemnly declare that I/We is/are not defaulter in payment of Government dues under mining Concession Rules relating to Major or Minor Minerals in Punjab and in case any undertaking is subsequently found to be incorrect, the lease which may be granted me/us in the above captioned auction may be cancelled.

Signature of the applicant
(Please specify the position
in the applicant firm/company)

Dated. _____

.....

NO.DGM&M/DEV-CDN-I(22)/2002/01
DIRECTORATE GENERAL OF MINES & MINERALS,
PUNJAB, LAHORE

Dated Lahore, the 01.04.2002

To

All the Offices of Mineral
Development in Punjab.

SUBJECT.- PERIOD OF LEASE AND SIZE OF THE AREA FOR MINOR MINERALS.

I am directed to draw your attention to rules 192 and 197 of the Punjab Mining Concession Rules, 2002 and to inform that as a policy for period for grant of lease and size of area for minor minerals, has been fixed as under.-

A) PERIOD OF LEASE.

The period of lease for ordinary stone, mill stone, building stone, sand stone, decorative stone including ebry stone shall be upto five years whereas for ordinary sand and gravel it shall be two years. However, lease of ordinary sand over canals may be granted for lesser period i.e. for one closure period.

B) SIZE OF THE AREA.

The size of blocks for ordinary stone, mill stone, building stone, sand stone, decorative stone including ebry stone but excluding marble, dolomite, slate stone, limestone shall be upto 100 acres and for ordinary sand and gravel it shall be upto 500 acres.

2) Moreover, it will be a condition of lease for ordinary stone, millstone, building stone, sand stone, decorative stone including ebry stone but excluding marble, dolomite, slate stone and limestone, to be incorporated in the allotment letter , that mining shall be done on scientific lines by adopting modern techniques of quarrying.

3) Please ensure that the above policy is followed in letter and spirit.

Sd/-

(CH. MUHAMMAD ASLAM)
Deputy Director (Mineral Development)
For Director General, Mines & Minerals,
Punjab, Lahore.

Term (A) of above letter was amended while Term (B) deleted vide letter dated 15.04.2004.

.....

NO.DGM&M/DEV-CDN-I(22)/2002/45
DIRECTORATE GENERAL OF MINES & MINERALS,
PUNJAB, LAHORE

Dated Lahore, the 01.04.2002.

To

All the Offices of Mineral
Development in Punjab.

SUBJECT.- **SECURITY DEPOSIT UNDER THE PUNJAB MINING
CONCESSION RULES, 2002.**

The Licensing Authority under rule 205 of the Punjab Mining Concession Rules, 2002 has laid down the following revised system of security deposit in supersession to the letter of even No. dated 28th June, 1992.

1. In case of an individual.-
In the form of Defence Saving Certificates as well as any type of term deposit certificate issued by any scheduled bank duly pledged in the name of the Director General, Mines and Minerals, Punjab in his official capacity.
OR
In any treasury of Punjab Government or State Bank or National Bank of Pakistan under the Punjab Provincial Head of Account mentioned at the end of this letter.
2. In case of partnership firms and limited companies:-
To be deposited into any treasury of the Punjab Government or State Bank or National Bank of Pakistan under the Punjab Provincial Head of Account mentioned below.-

“3000000 Deposits and Reserves – Not Bearing Interest –
3500000 Departmental and Provincial Deposits
3501015 – Deposits of Department Minerals Development”

Sd/-
(CH. MUHAMMAD ASLAM)
Deputy Director (Mineral Development)
For Director General, Mines & Minerals,
Punjab, Lahore

Above letter was amended vide letter dated 10.08.2002.

.....

NO.DGM&M/DEV-CDN-I(22)/2002/34
DIRECTORATE GENERAL OF MINES & MINERALS,
PUNJAB, LAHORE

Dated Lahore, the 02.04.2002

To

All the Offices of Mineral
Development in Punjab.

SUBJECT.- ISSUANCE OF DESPATCH SLIPS.

I am to refer to rule 229 of the Punjab Mining Concession Rules, 2002 and to state that a specimen of despatch slip for issuance by the concessionaires for despatch of minerals has been prescribed and a copy thereof is enclosed herewith. It is requested that a specimen of the said despatch slip may be enclosed with the allotment letter.

Sd/-

(CH. MUHAMMAD ASLAM)
DEPUTY DIRECTOR MINERAL DEVELOPMENT)
FOR DIRECTOR GENERAL, MINES AND MINERAL, PUNJAB,
LAHORE

Specimen of Despatch Slip

	تاریخ		نمبر
	وقت		
			-1 نام پٹہ دار
	محل وقوع پٹہ		-2 نام معدن
	ضلع		-3 پٹہ نمبر
	قیمت معدن		-4 گاڑی نمبر
	دستخط پٹہ دار / نمائندہ		

NO.DGM&M/DEV-CDN-I(22)
DIRECTORATE GENERAL OF MINES & MINERALS,
PUNJAB, POONCH HOUSE, MULTAN ROAD,
LAHORE

Dated Lahore the 10.8.2002.

To

All the Offices of Mines & Minerals
in Punjab.

SUBJECT.- PAYMENT OF SECURITY DEPOSIT AND REGISTRATION & PARTICIPATION IN AUCTION.

I am to state that a meeting was convened on 8.8.2002 at 2.00 p.m. in the office of the undersigned. The said meeting was attended by Sh. Ejaz Hussain, Deputy Director (M&M) Sargodha, Mr. Afzaal Hameed Butt, Deputy Director (M&M) Lahore Region, Lahore and Hafiz Karim Bux, Deputy Director (M&M) D.G. Khan.

2. The issues of form of payment of security and registration/participation of persons on behalf of other parties on the basis of authority letters were discussed and following decisions were taken:

I) Security Deposit.

In supersession of letters of even number dated 1.4.2002 and 24.6.2002 the following system of security deposit under rule 205 of the Punjab Mining Concession Rules, 2002 has been laid down.

i) In case of an individual and Registered firms:-

In the form of Defence Saving Certificate duly pledged in the name of Director General (Mines & Minerals), Punjab, in his official capacity.

OR

In any treasury of Punjab Government or State Bank or National Bank of Pakistan under the Punjab Provincial Head of Account mentioned below.

ii) In case of limited Companies.-

To be deposited into any treasury of Punjab Government or State Bank or National Bank of Pakistan under the Punjab Provincial Head of Account mentioned below.

“3000000 Deposits and Reserves – Not Bearing Interest -
3500000 Departmental and Provincial Deposits
3501015 – Deposits of Department Minerals Development.”

II) REGISTRATION AND PARTICIPATION IN AUCTION.

It has been decided that in future no person shall be allowed to register and participate in auction on behalf of other persons on the basis of authority letter because this system has created a complication. The genuine persons shall have to register themselves and participate in auction for getting mining leases through open auction.

(3) The above said instructions may be followed in future.

Sd/-

(CH. AMJAD ALI)
DIRECTOR LICENSING
(MINOR MINERALS)

.....

NO.DGM&M/MM-ACCTT.B.M.25
DIRECTORATE GENERAL OF MINES & MINERALS,
PUNJAB POONCH HOUSE, MULTAN ROAD,LAHORE.

Dated Lahore, the 22.01.2003

To

All the Regional/Sub-Offices
(Mines & Minerals)
Punjab.

SUBJECT.- **DEPOSITS OF CALL DEPOSIT RECEIPTS / DEFENCE SAVING
CERTIFICATES/TERM DEPOSITS IN GOVERNMENT HEAD
OF ACCOUNT.**

I hereby authorise all the Secretaries District Auction Committees/Assistant Directors (Mines & Minerals) to transfer all types of amounts such as Defence Saving Certificates, Call Deposit Receipts, Term Deposits, etc. received in favour of or pledged in the name of Director General (Mines & Minerals), Punjab into Government Treasury or to release them to the highest bidders/successful bidders/mining concessionaires.

Sd/-
(ABDUL SATTAR MIAN)
DIRECTOR GENERAL (MINES AND MINERALS)
PUNJAB, LAHORE.

.....

NO.DGM&M/DEV-CDN-I(22)/2002
DIRECTORATE GENERAL OF MINES AND MINERAL, PUNJAB,
(LICENSING DIVISION),
POONCH HOUSE, MULTAN ROAD, LAHORE

Dated Lahore, the 19.07.2003

To

Circulated to all field offices.

SUBJECT.- PAYMENT OF SECURITY DEPOSIT AND REGISTRATION & PARTICIPATION AUCTION.

In supersession of letters of even number dated 1.4.2002, 24.6.2002 and 10.8.2002 on the subject cited as above, it has been decided that following system of security deposits under rule 205 of Punjab Mining Concession Rules, 2002 be laid down:

i) In case of an individual and Registered firms:

In the form of Term Deposit Receipts of United Bank Limited or Call Deposit Receipts of any scheduled Bank drawn in favour of Director General (Mines & Minerals), Punjab, in his official capacity or

In any treasury of Punjab Government or State Bank or National Bank of Pakistan under the Punjab Provincial Head of Account mentioned below.

ii) In case of Limited Companies.-

To be deposited into any treasury of Punjab Government or State Bank or National Bank of Pakistan under the Punjab Provincial Head of Account mentioned below.

“3000000 Deposits and Reserves – Not Bearing Interest
3500000 Departmental and Provincial Deposits
3501015-Deposits of Department Minerals Development.”

Sd/-
(CH. AMJAD ALI)
DIRECTOR LICENSING (MINOR MINERALS)
PUNJAB, LAHORE.

.....

NO.S.O.V(IM&M)5-24/92
GOVERNMENT OF THE PLUNJAB
MINES AND MINERALS DEPARTMENT

LAHORE, DATED THE 14TH FEBRUARY, 2004.

To

The Secretary,
Government of the Punjab,
Forest, Wildlife, Fisheries and Tourism Department.

Subject: **GRANT OF NOC BY THE FOREST SUB COMMITTEE IN RESPECT OF APPLICATIONS COVERING AREA UNDER THE RESERVED FOREST CATEGORY "A".**

Kindly refer to your letter No.SO (FST)1-1/93(P), dated 6.10.2003, on the subject cited above.

2. It is to inform you in this regard that the Supreme Court of Pakistan vide its judgment dated 10.10.2003 in Civil Appeal No.1397 of 1999 (copy enclosed) has observed that the concerned licensing authority of the Mines and Minerals Department is authorized to issue or decline mining leases and such orders are subject to appeal and revision as laid down in the Mining Concession Rules. The question of grant or otherwise of the prospecting license is to be decided after examining merits of the case instead of relying on any adverse recommendation of the sub Committee of the two department. The Apex Court has, therefore, held that the constitution of sub Committee appears to be an internal arrangement between the two departments having no sanction of law. The learned Court has also held that advising the applicant to approach the Secretary, Forest for adjudication on the part of the Secretary, Mines and Minerals and leaving him at the mercy of Secretary, Forest Department who was not directly concerned with the grant or otherwise of a mining prospecting license.

3. In view of the above specific observations of the learned Supreme Court of Pakistan the constitution of the Forest sub Committee does not look to be permissible. The Supreme Court of Pakistan has made licensing authority concerned responsible for the grant or otherwise of mining leases after examining merits of each case. It is, therefore, deemed appropriate to advise the Director General, Mines and Minerals, Punjab and authorities under his control to take up and decide the cases of grant of mining/prospecting leases in the Forest area keeping in view following principles which were agreed between the two departments in 1979 and are in vogue since then.-

- i) No mining lease shall be granted for surface mining in category 'A' Forest area.
 - ii) The grant of mineral concessions for under ground mining in category "A" Forest area may be considered on merits after taking into consideration the field reports and comments from the concerned Conservator of Forest.
 - iii) Surface mining in category 'B' Forest Area may be allowed after incorporating standard terms and conditions already provided by the Forest Department.
 - iv) Mining concession in category "C" Forest Area for surface and under ground mining area shall be granted on the basis of merit without any reference to the Forest Department.
4. It is expected that in compliance with the above referred judgment of the Supreme Court of Pakistan the licensing authority concerned in the Mines and Minerals Department will take up and decide the cases of Mining Concessions on merits and keeping in view field report and comments of the concerned Forest authority and incorporate standard terms and conditions provided by the Forest Department.

Sd/-
(IMTIAZ AHMAD CHEEMA)
SECRETARY MINES AND MINERALS
DEPARTMENT

Note.- The above policy was sent to the DGMM by the Govt. vide letter No.SOT(M&MD)5-24/92 dated 20.02.2004 in response to letter No.DG(M&M)/APP-Policy(Reserved Forest)2002 dated 08.12.2003.

.....

CONDITIONS FOR PROSPECTING MINNING IN FOREST AREAS OF CATEGORY A/B.

1. No felling of trees, shrubs or any vegetation shall be done in the forest area by the lessee or licensee nor any vegetation will be damaged in any manner. If for some unavoidable reasons, a tree or trees have to be felled in order to facilitate the prospecting or mining work, prior written permission from the Divisional Forest Officer of the area must be obtained, and the Divisional Forest Officer will allow the removal of trees and timber after full realization of the value of such trees.
 2. The work executed by the Forest Department in the area will not be interfered with under any circumstances.
 3. No permanent structure such as buildings, roads and paths shall be constructed without the prior permission of the concerned Divisional Forest Officer for which all costs will invariably be born by the lessee and the Forest Department shall have full rights to use such roads, paths and ways while performing the departmental duties.
 4. A reasonable surface rent, to be decided by the Forest Department, will be charged for the area actually used by the lessee for excavation and construction of huts, roads or any other structure.
 5. No lessee / licensee or any of his employees shall keep any animal in the area without the prior permission of the Divisional Forest Officer. In areas, which are not burdened with rights, the labour of the lessee / licensee may be allowed grazing of a few animals, if otherwise permissible on payment of the usual fees. The permission can be cancelled at any time on a 15 days notice in writing by the Divisional Forest Officer concerned.
 6. The lessee / licensee, his labour or any employee or worker will not burn fire in the forest except in a manner specified by the Divisional Forest Officer of the area. The lessee / licensee, his employees and labour will also be bound to help the Forest Department in extinguishing forest fires that may occur in the area leased / licensed out or in the adjoining areas upto a distance of 5 miles on all sides.
 7. If the lessee / licensee persists in the violation of the rules and regulations relating to the Forest Department then the Divisional Forest Officer will give a 30 days notice to the lessee / licensee to explain the position. If no reply is received by the Divisional Forest Officer or the reply is found to be unsatisfactory then the case will be referred to the respective Deputy Director or Assistant Director Mines & Minerals with a copy to the Director General Mines & Minerals, Punjab, Lahore for appropriate action against the licensee / lessee.
 8. An annual joint review of each mining lease or license will be done by the concerned Divisional Forest Officer and the Deputy Director / Assistant Director Mines & Minerals and all problems to be taken into consideration, including the conduct of the mining concessionaire in the area leased / licensed out or in the adjoining area.
 9. At the time of renewal of the prospecting license or the mining lease, a report will be obtained from the Divisional Forest Officer concerned about the outstanding dues and steps will be taken by the Licensing Authority to ensure that the payment of outstanding dues are made to the Forest Department before renewing the license / lease.
 10. In the event of any dispute on the interpretation of any rule concerning forest areas or in case the lessee / licensee considers that justice has not been done to him, he may lodge an appeal to the Conservator of Forest of the area. The Conservator of Forest will co-opt a representative of the Mines & Minerals Department at the time of hearing of the appeal filed by the licensee / lessee.
-

NO.SOT(M&MD)8-5/2003 Vol:II
GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT

Dated Lahore the 2nd June, 2005.

To

The Director General,
Mines & Minerals, Punjab,
Lahore.

Subject: **AUCTION OF MINOR MINERALS.**

I am to refer to two advertisements published in the leading Newspapers regarding public auctions of minor minerals in the months of May, June & July 2005. It is observed that main advertisement was published in which Licensing Authority missed some important blocks and now in corrigendum Licensing Authority has included those areas for auction alongwith corrected names of blocks which have created bad impression and may also lead to litigation.

2. I am directed to inform you that in future as a policy matter, no new block or missed block should be included in the Corrigendum Notices and directions may be issued to the Licensing Authority to be careful while drafting such Public Notices and Corrigendum, if at all necessary, to avoid legal implications.

Sd/-

SECTION OFFICER (TECH)

.....

NO.DGM&M/MM/LHR.ORD.SAND POLICY(MM)/06
DIRECTORATE GENERAL OF MINES AND
MINERAL, PUNJAB, LAHORE.

Dated Lahore, the November 21 ,2006

To

Circulated to all field offices.

SUBJECT.- **POLICY REGARDING REGISTRATION, FAKE / UNREASONABLE BIDDING AND CREATION OF NEW BLOCKS/ZONES ETC.**

It has been observed with great concern that tendency of fake/unreasonable bidding of blocks/zones through open auction have developed which results in colossal loss to the public exchequer. In order to curb this tendency and to improve auction of minor mineral blocks/zones, following policy has been approved for implementation forthwith.-

1. **Demand Of Token Bid Money During Auction.**- During auction, if bid of a block or zone exceeds Rs.5,00,000/- (Rupees Five Lac) then Auction Committee is empowered to demand from competing bidders to deposit 1/4th bid money in case of ordinary sand and gravel and 1/5th in case of sand stone etc. either in shape of pay order or in cash as token money. If a bidder fails to deposit token money then Auction Committee will ignore his bid and continue auction by recording bids of serious bidders competing for this block/zone.
2. **Registration For Auction.**- Individual/Firms/Companies desirous for taking part in auction are registered on receipt of documents one day prior to auction under rule 191 of the Punjab Mining Concession Rules, 2002. In future, if an individual/firm/company is registered by the Secretary District Auction

Committee then his/their registration will be valid for a period of one year and will be entitled to participate in all the auctions to be held during the period of one year. After expiry of one year individual/firm/company, will again furnish required documents afresh under rule 191 for registration.

3. **Creation Of New Blocks/Zones In Vicinity Of Granted Blocks/Zones**.- It has been observed that some times a new block/zone is created closer to granted zone/block for sand which affects badly the existing blocks/zones. In order to control this tendency, in future no new block/zone of sand be carved out within radius of ten kilometers from the existing zone/block except seeking approval of Director General Mines & Minerals or Government as permissible under the rules. In case of receipt of complaint about unauthorized excavation, field office should exert maximum efforts for its stoppage by lodging FIRs and assessing recoveries under rule 218 of the Punjab Mining Concession Rules, 2002 and get it finalized within three months.

Sd/-

(MUHAMMAD ASLAM)

DIRECTOR LICENSING (MINOR MINERALS)
PUNJAB, LAHORE.

.....
No.SOT (M&M) 9-3/2007

GOVERNMENT OF THE PUNJAB
MINES AND MINERALS DEPARTMENT

DATED LAHORE THE 28th FEBRUARY, 2007

To

The Director General,
Mines and Minerals, Punjab,
Lahore.

Subject: **GENERAL GUIDE-LINES FOR RENEWAL OF MINING LEASES.**

Kindly refer to the meeting dated 13.2.2007 held in the Office Chamber of Secretary, Mines and Minerals Department, on the subject cited above.

2. I have been directed to convey the following general Guide-lines regarding renewal of mining leases under Punjab Mining Concession Rules, 2002, for information and compliance by all concerned:

- i) If a lessee develops the area according to PPD Schemes, approved by the Licensing Authority, and achieves the production targets as per prescribed conditions, further renewal shall be given for a reasonably long time on case to case basis but not exceeding 30 years.
- ii) In case of partial implementation of PPD Scheme renewal for short period extending upto 5 years may be granted, keeping in view the pace of development and quantum of investment made by the lessee.
- iii) In case, the lessee had kept the area idle and did not make any serious efforts towards production and development of area, the Licensing Authority shall have the right to reject the renewal application for further period. In such cases, any deferment of decision against renewal application(s) should be avoided in future.

Sd/-

SECTION OFFICER (TECH).
.....

BEFORE THE DIRECTOR GENERAL MINES & MINERALS, PUNJAB / APPELLATE AUTHORITY, LAHORE.

In re.-	<ol style="list-style-type: none"> 1. <i>Ch. Muzammal Hussain S/o Haji Abdul Karim.</i> 2. <i>Haji Ali Ahmad S/o Haji Asghar Ali</i> 	Applicants
	<i>Director (Licensing) Minor Minerals</i>	Respondent

Present.-

1. *Rana Abdul Waheed Khan, Advocate for applicants*
2. *Mr. Ijaz Hidayat, Assistant Director Mines & Minerals, Hqr's Office for Licensing Authority*

Misc. Applications No.

1. *DGMM/Misc-A(1)/2007*
2. *DGMM/Misc-A(2)/2007*

Date of hearing: *16.07.2007 & 20.07.2007*

ORDER.

*Syed Zahid Hussain Shah (Director General)....*These are two miscellaneous applications dated 28.05.2007 submitted by Ch. Muzammal Hussain and Haji Ali Ahmad requesting for amendment in procedure of auction of minor minerals in Punjab to the extent that instead of cash/CDR as security, bank guarantee of any scheduled bank may be substituted.

2. The counsel for the applicants argued that applicants are well know lessees in Punjab and participate in every scheduled auction and different areas are granted to them. They pay millions of rupees to the Government. Licensing Authority issued an auction schedule for different dates of minor minerals areas of different districts of Punjab in Daily 'Nawa-e-Waqat' dated 22.05.2007. According to condition No.3 of the advertisement, the participant of the auction should participate in the auction and pay 1/4th / 1/5th in the shape of pay order or cash at the fall of hammer and the participant shall pay 1/4th on acceptance of the bid in the shape of pay order. The remaining amount has to be paid in equal installments according to the policy. Applicants seek amendment in condition No.3 of auction schedule may be made to the extent that instead of pay order or cash a bank guarantee from any scheduled bank may be incorporated in the auction policy. They have requested on the following grounds.-

- a) That if an amendment is made to the extent that instead of pay order or cash, a bank guarantee from any scheduled bank is ordered, it will be for the betterment of the participant because the security amount is refundable to him after the expiry of lease period and if there are any outstanding dues payable by the lessee then the guarantor bank will be responsible to pay the same;
- b) That other Departments also auction different articles/areas and they call bank guarantee as security from the scheduled bank and the Mines & Minerals Department should also follow the same procedure/policy which will be beneficial for the participant as well as the Government.

The counsel prayed that by accepting the request, an amendment in the auction schedule to the extent that instead of cash/CDR as security, bank guarantee of any scheduled bank may be substituted.

3. To solve the problems of the participants and to safeguard the provincial exchequer, a committee comprising the following was constituted.-

1. Ijaz Hadayat,
Assistant Director Mines & Minerals,
Hqr's Office, Lahore.
 2. Mr. Muhammad Inam Ullah,
Accounts Officer (Minor Minerals),
Hqr's Office, Lahore.
 3. Sh. Bilal Ahmad,
Accounts Officer (Major Minerals),
Hqr's Office, Lahore.
 4. Rana Abdul Waheed Khan,
Advocate/Counsel for the applicants.
4. The committee held meetings on 19.06.2007, 28.06.2007 & 13.07.2007 to discuss and consider the various aspects of the issue.
5. Rana Abdul Waheed Khan, Advocate for applicants submitted a comprehensive description of the problems & difficulties being faced by applicants in the prevailing system of security deposits (in shape of TDRs/CDRs/SRs/DSCs) which may be deemed a reasonable cause of action to file the instant applications. More over he also submitted a supplementary description with the merits of new system (i.e. Bank Guarantees) being proposed by him.
6. In response thereto the counsel for the applicants submitted a statement of material facts stating that in Pakistan in all the public departments/Government Departments, a system of bank guarantee as security is in vogue. In the modern era, all the business is running under the guarantee of financial institutions/banks. Applicants and others are having many leases in the Mines & Minerals Department, Punjab and due to submission of CDR as a guarantee, reasonable amounts are withheld/blocked for a periods of 2 to 5 years and in this way, lessees are rendered unable to participate in other auctions for lack of finances and it will be appropriate in fitness of things as well as in welfare of the lessees that a bank guarantee may also be added in the auction schedule. If the bank guarantee is included/introduced as security in the auction schedule, participants will be in a better position to enhance the bids at the time of auction and also it will be in the interest and benefit of public exchequer. If an amendment inducting bank guarantee as security is made in auction schedule, then the business of lessees will be on better footings as well as of the banks. If all the business is guaranteed by the banks, it will also minimize chances of fraud as well.
7. During the meeting, the Committee noticed that applicants have an intention to submit the guarantees issued by bank against the collateral of land property. To probe the matter as well as to evaluate the bank guarantees issued against the property of land, the meetings with following banking personnels were held by the Committee on 10.07.2007 & 11.07.2007.
- 1) Mr. Maudood Ali Babri
Manager Credit, Askri Bank ,The Mall Road Branch, Lahore.
Cell No. 0300-4259786
 - 2) Mr. Muhammad Ashraf Gondal,
Manager Operations, the Bank of the Punjab, Multan Road Branch,
Lahore.
Cell No. 0333-4380799
- Consequently following facts have been revealed.-
- a) Banks issue guarantees against the security of
 - * Cash accounts,
 - * Property of land or
 - * Any other property which a bank deems appropriate.

- b) In any case, however a bank is cent percent liable to the extent of guaranteed amount.
- c) In case of confiscation, the department, to whom the guarantee has been submitted, has to take up & pursue the matter in a very efficient and vigorous manner to realize the guaranteed amounts because the chances of litigation & status quo etc. from lessees' side may not be ruled out.
8. Keeping in view of all the afore described facts it was evident that if the applications are acceded to, a very efficient and vigilant mechanism for security deposits has to be formulated in all the Field Offices (which are custodian and responsible of securities of Minor Minerals) to safe guard the public exchequer alongwith the modalities, the Committee suggested as under.-
- ❖ The bank guarantees may just be incorporated in addition to the already prescribed instruments of security deposits.
 - ❖ The bank guarantee must be absolutely unconditional and drafted with due consultation of a law professional.
 - ❖ Validity period of guarantees must be sufficiently large enough as compared to lease period to cover-up the banks' processing time such as for leases having two or five years period the validity period of bank guarantee shall be of two and half years and six year respectively.
 - ❖ Only the guarantee issued from scheduled banks, preferably situated in the nearest vicinity of Field Offices, may be accepted subject to verification from the issuing banks.

8. In view of the aforementioned facts and suggestions, the system of payment of security deposit circulated vide circular letter No. DGM&M/DEV-CDN-I(22)/2002 dated 19.07.2003 is hereby modified as under and

- i) In case of an individual and Registered Firms:
In the form of Term Deposit Receipts of United Bank Limited or Call Deposit Receipts of any scheduled Bank drawn in favour of Director General Mines & Minerals, Punjab in his official capacity or In any treasury of Punjab Government or State Bank of Pakistan or National Bank of Pakistan under the Punjab Provincial Head of Account mentioned below.-
- ii) In case of Limited Companies.-
To be deposited into any treasury of Punjab Government or State Bank of Pakistan or National Bank of Pakistan under the Punjab Provincial Head of Account mentioned below.-
"3000000-Deposit & Reserves-Not bearing Interest
3500000 Departmental & Judicial deposits
3501015 Deposits of Department Mineral Development"
- iii) Defence Savings Certificates pledged in the name of Director General Mines & Minerals, Punjab in his official capacity or
- iv) Bank guarantee issued from scheduled banks, preferably situated in the nearest vicinity of concerned Field Offices, for leases having two or five years period, the validity period of bank guarantee shall be three and six years respectively, subject to verification from the issuing banks.

Announced on 20.07.2007

Sd/-

(SYED ZAHID HUSSAIN SHAH)
Director General, Mines & Minerals
Punjab Lahore.

Note.- The above order was circulated to all the field offices vide letter No. DG(MM)/MM/Miscellaneous/07 dated 05.09.2007.

MINUTES OF MEETING HELD IN THE OFFICE OF THE DIRECTOR LICENSING (MINOR MINERALS), LAHORE ON 17.01.2008 AT 11.00 A.M. REGARDING GRANT OF SAND MINING LEASES OVER CANALS/CHANNELS OF FAISALABAD DISTRICTS.

A meeting was held on 17.01.2008 at 11.00 A.M. as per direction of Director General (Mines & Minerals), Punjab to discuss/resolve the issues of operation of sand mining leases over Lower Gogera Branch and Jhang Branch Canals. The following attended the meeting:

1. Ch. Amjad Ali,
Director Licensing (Minor Minerals).
2. Ch. Muhammad Hussain,
S.E, L.C.C.. (East),Faisalabad.
3. Rana Rafiq Ahmad,
S.E, L.C.C. (West),Faisalabad.
4. Ch. Muhammad Ayub,
Deputy Director (Mines & Minerals), Sargodha.
5. Mr. Hidayat Ullah Khan Niazi, Deputy Director (Mines & Minerals),
Lahore Region.
6. Mr. Altaf Hussain Warraich, Assistant Director (Mines & Minerals),
Chiniot.
7. Haji Ali Ahmed,
Sand Contractor.

2. The chair welcomed the participants and invited the S.E, LCC (East), Faisalabad to express his view point. Opening the discussion the S.E. expressed his grievances, gave previous history of the case since 1996, when he was XEN, they lodged FIRs against lessees and case went before Honourable Lahore High Court and as per orders dated 12.02.1996 of the Honourable High Court in W.P. 1240 and 1241/96, meetings were held between the two Departments on 28.01.1999 and 08.10.1999 through which certain conditions were finalized and imposed for grant of sand leases. It was further stated by the S.E, LCC (East), Faisalabad that the lessees of Mines & Minerals Department are not observing the said conditions properly and sand excavation work is damaging the Canal/Channels regimes. The officers of Irrigation Department also quoted letter dated 7.12.2000 issued from the office of Secretary, Irrigation and Power Department whereby it was desired to cancel all the sand leases granted over Canals/Channels. The similar view point was given by the S.E. L.C.C. (West), Faisalabad. Another objection raised by both the S.E's was that they are not kept informed at the time of grant of Canals/Channels leases.

3. The chair pointed out that during meetings dated 28.1.1999 & 08.10.1999 of officers of both the Departments it was decided to continue practice of grant of sand leases over Canals/Channels subject to some settled conditions such as execution of an agreement by the lessee with the concerned XEN, Irrigation, getting permission for construction of ramp, payment of security by the lessee, etc. The chair further explained that since then the settled conditions have been made a part of the allotment letter. The Director Licensing (Minor Minerals) also explained that in view of decisions of the said meetings copies of all the plans/blocks of Canals/Channels were provided at that time to the Irrigation Department. The Irrigation Department had to provide names of officers who may act as member of auction committee in each district but these names have never been provided.

4. The Deputy Director (Mines & Minerals), Sargodha and the Assistant Director (Mines & Minerals), Chiniot told that six (06) blocks of sand mining in Lower Gogera

Branch & Jhang Branch Canals were published for auction in daily "Nawa-E-Waqt" on 07.10.2007 and all the members of auction committee including the XEN, Irrigation concerned were informed through letter dated 08.10.2007 to attend the auction proceedings of district Faisalabad to be held on 25.10.2007, 19.11.2007 & 29.12.2007 but no one from Irrigation Department participated whereon all the six blocks were auctioned. They said that the schedule for auctioning of sand leases over canals is given vide publicity through the press and details of such areas are intimated to the concerned office of Irrigation well before auction. Moreover, a representative of Irrigation Department is also included in Auction Committee and the leases over canals/channels are granted in light of decisions taken in the meetings dated 28.01.1999 & 08.10.1999 as such, interest of Irrigation Department is fully taken care of. The Assistant Director (Mines & Minerals), Chiniot pointed out that he visited Jhang Branch Canal a few days back and found unauthorized sand excavation at large scale through excavator machines and a number of tractor trolleys at Newan Bungla and Emypur Bungla. According to the Assistant Director (Mines & Minerals), Chiniot the sand was being carried-away and was also being stocked in huge quantities at various sites by different persons which will be sold by them at later stage.

5. The representative of lessee told that in Jhang Branch Canal near Sahianwala, about 15 tractor trolleys and one excavator are also working unauthorizedly for sand excavations. There are many stocks of sand on both sides of canal. He said that unauthorized excavation of sand from canals during closure period badly affect their sand mining business in leases in River Chenab and other leases in the vicinity which have been obtained by them against millions of rupees. Haji Ali Ahmed further stated that the sand leases in canals are obtained by them only to watch their interest in leases of River bed and other surrounding leases instead of profit.

6. The chair explained that the revenue being received from the grant of sand leases over Canals/Channels of District Faisalabad is very nominal and is of not much important for the Mines & Minerals Department. However, the main problem is that as and when the blocks of sand over Canals/Channels are left un-allotted, unauthorized mining at large scale is being carried out by different parties which effects the sand leases granted to different parties over surrounding areas including the lease of River Chenab near Chiniot which is granted against million of rupees. It was further expressed by the Director Licensing (Minor Minerals) that if the Irrigation Department ensure that no illegal mining will be allowed from Canals/Channels, the process of grant of leases in District Faisalabad may be discontinued if it is damaging to the Canal system. In reply, the S.E. LCC (East) and S.E. LCC(West) informed that they try at their level best to stop such illegal mining but could not ensure complete stoppage of sand mining as such activities are some-times paternized by the influential local persons and besides reports the concerned police does not take proper cognizance of the issue.

7. After detailed deliberations the following decisions were taken:

- i) The Deputy Director (Mines & Minerals), Lahore Region will provide copies of all the plans/blocks of District Hafizabad, Sheikhpura and Nanakana to the S.E. LCC (West). Similarly the Assistant Director (Mines & Minerals) will provide plans of the blocks of Canals/Channels falling in District Faisalabad, Toba Tek Singh and Jhang to the S.E. LCC (West). The S.E. L.C.C. (West) in consultation with the S.E. LCC (East) and Chief Engineer, Faisalabad will nominate Officer of Irrigation Department in each district who will act as Member of Auction Committee in the respective district.
- ii) The Canals of district Faisalabad will be visited by the Assistant Director (Mines & Minerals), Chiniot alongwith an Officer nominated by S.E. LCC (East)/S.E. LCC (West) on 22.1.2008 or 23.1.2008 to check the extent of

illegal mining and report be submitted to the higher Officers of both the Department.

- iii) The participants of the meeting were of unanimous opinion that the issue of grant of leases over Canals/Channels can only be resolved during a meeting of the high ranked officers of both the department.

Initialed by
Ch. Amjad Ali
Director Licensing (Minor Minerals)

.....
No. SOT(M&M)5-12/2003
GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT

Dated Lahore the 21st January, 2008

To

The Director General,
Mines & Minerals Department,
Lahore.

Subject: **POLICY REGARDING GRANT OF LIMESTONE LEASES IN PUNJAB.**

Kindly refer to your letter No.DG(M&M)/Misc-Limestone(1)/03, dated 3.11.2007, on the subject noted above.

2. I am directed to convey that the Blocks predominantly containing Limestone may be granted through sealed tenders as a one time lease for 10 years. Moreover, no lease of Dolomite or Marble may be granted in these areas and existing leases of Dolomite & Marble may be permitted to complete their current periods of lease but will not be re-granted to any party as such.

Sd/-
SECTION OFFICER (TECH)

.....

NO.DGMM/PA(Licensing)Minor Minerals/2008
DIRECTORATE GENERAL OF MINES & MINERALS,
PUNJAB, POONCH HOUSE, MULTAN ROAD, LAHORE.

Dated Lahore, the January 26, 2008.

To

The Director (Licensing), Minor Minerals,
Punjab, Hqr's Office,
Lahore.

SUBJECT: **CREATION OF ORDINARY SAND ZONE.**

It is observed that when ordinary sand zone/blocks are prepared, District Boundaries are not shown. Moreover, in one zone/block only the area falling in one district be included. In case of areas falling in different adjoining districts, cause legal and administrative complications even it makes the auctions not transparent because in advertisement, schedule for each district is given on different dates and venue.

2. You are advised that when ordinary sand zones/blocks are prepared, to avoid from any sort of legal and administrative complications, district boundaries must be shown.

Sd/-
(SYED ZAHID HUSSAIN SHAH)
Director General Mines & Minerals
Punjab, Lahore.

Endst. No. & Date Even.

Circulated to all field offices.

.....

NO.DG(M&M)GENERAL POLICY/2008
 DIRECTORATE GENERAL OF MINES & MINERALS,
 POONCHHOUSE, MULTAN ROAD, LAHORE.

Dated Lahore, the February 6th 2008

To,

Circulated to all field offices.

**SUBJECT: REVISION PETITION FILED BY MR. SABIR SHAH IN
 RESPECT OF ML.SAND GRAVEL BLOCK QIBLA BANDI-I,
 DISTRICT ATTOCK**

I am to state that it was observed that leases of minor minerals were surrendered just before the dates of auctions and surrendered areas were put to auction. The said practice does not seem transparent and the intending bidders generally remain un-aware of the status of such areas and cannot take part in the auction of such blocks. A proposal for rectification of the situation was submitted to the Government and the same has been approved. You are, therefore, asked to make the auction procedure transparent and the instructions given below should be followed to deal with and finalize the surrender cases:

- i) On receipt of surrender application, a copy of it be sent to the Director Licensing (Minor Minerals) by the concerned Sub Office/Regional Office under registered cover within seven days. In case the surrender application is received in Headquarter Office, a copy of it be sent to the concerned Sub Office/Regional Office immediately by the Licensing Authority (Minor Minerals), Headquarter Office, Lahore for necessary examination and report.
- ii) The concerned field office should submit case on relevant file to the Director Licensing Authority (Minor Minerals) within ten days from the date of receipt of surrender application and after obtaining orders of the Licensing Authority the same may be communicated to the concerned concessionaire immediately by the relevant field office.
- iii) Only those surrendered areas/blocks be put to auction which are advertised and there is a gap of at least 15 days between the date of communication of the orders of the Licensing Authority regarding surrender and date of next auction.

Sd/-
 (CH. AMJAD ALI)
 DIRECTOR LICENSING (MINOR MINERALS)
 Punjab, Lahore.

.....

Given below advice was sent by the Govt. vide letter No. SOT(M&M)5-12/2003 dated 21.8.2008 below the advice
No. Legis: 5-89/99/3129

GOVERNMENT OF THE PUNJAB
LAW AND PARLIAMENTARY AFFAIRS
DEPARTMENT

Dated Lahore the 26th July, 2008

To

The Secretary,
Government of the Punjab,
Mines & Minerals Department.

Subject: **GRANT OF LIMESTONE AND OTHER MINING LEASES UNDER THE CHAPTER OF SMALL SCALE MINING THROUGH OPEN AUCTION UNDER SEALED TENDERS IN ACCORDANCE WITH THE RULE 187 OF THE PUNJAB MINING CONCESSION RULES, 2002.**

I am directed to refer to your letter No.S.O.(M&M)5-12/2003 dated 11.07.2008 on the subject noted above and to state that the rule 187 of Mining Concession Rules, 2002 deals with the Small Scale Mining and it is not applicable to leases granted for Minor Minerals.

2. Rule 187 is a miscellaneous provision which give discretion to the Government to invite sealed tenders in case of cancellation of license/lease or in the areas of proved mineral reserves for enhanced revenue collection. It is not mandatory for the Government to grant every lease through sealed tenders.

3. You are advised accordingly.

Sd/-

ASSISTANT DRAFTSMAN-1

.....

No. SOT(M&M)5-12/2003
GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT
Dated Lahore the 21st August, 2008

To

The Director General,
Mines & Minerals Department,
Lahore.

Subject: **GRANT OF LIMESTONE AND OTHER MINING LEASES UNDER THE CHAPTER OF SMALL SCALE MINING THROUGH OPEN AUCTION/UNDER SEALED TENDERS IN ACCORDANCE WITH THE RULE 187 OF THE PUNJAB MINING CONCESSION RULES, 2002.**

Kindly find enclosed herewith a copy of letter/legal opinion dated 26.07.2008 received from Law & Parliamentary Affairs Department, Government of the Punjab, on the subject noted above..

2. The Competent Authority has examined the opinion of Law Department and ordered that the proved mineral areas may be put to open auction under Rule 187 of the Punjab Mining Concession Rules, 2002 instead of sealed tenders. You are, therefore, requested to comply with the orders of the Competent Authority and take necessary action accordingly.

Encls: as above.

Sd/-

SECTION OFFICER (TECH)

.....

NO.DGM&M/MM/GENERAL POLICY/98
 DIRECTORATE GENERAL OF MINES & MINERALS,
 PUNJAB, POONCH HOUSE MULTAN ROAD, LAHORE

Dated Lahore, the July 28th 2009

To,

Circulated to all field offices.

SUBJECT: **APPROVAL OF BIDS**

I am to state that it has been noticed that in certain cases unprecedented bids are received through un-healthy competition amongst the persons involved in stone/sand leases. In such cases, the leases are subsequently surrendered by the parties after four months/during validity by giving two months notice. As a result of it the Government earns only a part of the bid money. The areas are later on put to auction but for a long time bids equal to or higher than the unprecedented bids are not received on one pre-text or the others. The Director General (Mines & Minerals), Punjab has approved the following policy for consideration of bids received subsequent to the unprecedented bids.

- i) In case bids equal to or higher than the unprecedented bids are not received in subsequent five consecutive auctions, the Licensing Authority may consider the bid received during 6th auction keeping in view the previous history of the block/zone and the bids of the surrounding areas.
 - ii) The Secretaries District Auction Committees should record on bid sheet and announce before the start of bid, in Auction Hall, during 6th auction, that ignoring the unprecedented bid amounting to Rs._____, the bid received may be considered for approval in view of the previous history of block/zone and the bids of the surrounding areas.
2. You are advised to act, in future, in accordance with the aforementioned policy.

Sd/-
 (CH. AMJAD ALI)
 DIRECTOR LICENSING (MINOR MINERALS)
 Punjab, Lahore.

.....

No. SOT (M&M) 5-2/2002 Vol-I
GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT

Dated Lahore the 24th September, 2010

To

The Director General,
Mines & Minerals, Punjab,
Lahore.

Attention: **Director Licensing (Small Mines Assistance/Titles)**

Subject:- **BAN ON GRANT OF COAL MINING CONCESSIONS UNDER
SMALL SCALE MINING AND LARGE SCALE MINING.**

I have been directed to inform you that mineral policy is under discussion to devise a road map for development of coal mining sector. Therefore, the Secretary, Government of the Punjab, Mines & Minerals Department, has ordered not to consider any application/case for coal in the Mines Committee under Large Scale Mining/Small Scale Mining, till further orders.

Sd/-
SECTION OFFICER
(TECHNICAL)

.....
No. SOT (M&M) 5-25/2001 Vol-II-3069
GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT
Dated Lahore the 27th January, 2011

To

The Director General,
Mines & Minerals, Punjab,
Lahore.

Subject:- **FAILURE TO PAY ROYALTY**

I have been directed to refer to the subject cited above.

2. The Competent Authority has desired that the following criteria be adopted for royalty collection:

- a) Licensing Authority will issue a notice to leaseholder who is defaulter of payment of royalty on very next day of the due date, directing him to make the payment within one week.
- b) In case of non-compliance he will proceed under Rule 70 of the PMC Rules and prohibit the removal of any mineral.

Strict compliance of above mentioned criteria is requested.

Sd/-
SECTION OFFICER
(TECHNICAL)

.....

Given below advice was sent by the Govt. vide letter No.SOT (M&M) 5-11/2010-3968 dated 01.12.2011 below the advice
No.SO(P)15-34/09/4687

GOVERNMENT OF THE PUNJAB
LAW AND PARLIAMENTARY AFFAIRS
DEPARTMENT

Lahore the 4th/^{5th} November, 2011

To

The Secretary
Government of the Punjab
Mines & Minerals Department

Subject:- **AUCTION OF ORDINARY SAND BLOCK RIVER CHENAB 1-3,
DISTRICT GUJRAT**

I am directed to refer to your letter No.SOT(M&M)5-11/2010-3617, dated 29.10.2011 on the subject and to state that making ducks of one and drakes of the other is not permissible under the law. The first auction was conducted on 12.3.2011; however, owing to the stay order, it was abandoned, and a second auction was held on 13.4.2011 i.e. within a month. The second auction, however, fetched significantly lower price as compared to the first auction. The department now wants to ignore the second auction and to act upon the first auction. After the authority exercised the option of the second auction, the first auction, for all intents and purposes, became a transaction past and closed rather buried and cannot be resurrected at this stage. In case, the department is of the view that the second auction is towards the lower side and a fresh auction is in public interest, it may proceed in accordance with law to cancel the second auction and opt for another auction for fixing reasonable base price. In any case, acting on the first auction will not be lawful, even though apparently beneficial, and is likely to land the department into litigation.

Sd/-

(ABID RAZA)

Deputy Secretary (O&R)

.....
No. SOT (M&M) 5-11/2010-3968
GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT
Dated Lahore the 1st December, 2011

To

The Director General,
Mines & Minerals, Punjab,
Lahore.

Subject:- **REQUEST FOR LEGAL ADVICE OF LAW DEPARTMENT
REGARDING AUCTION OF ORDINARY SAND BLOCK RIVER
CHENAB 1-3, DISTRICT GUJRAT**

I have been directed to refer to your letter No. ML/DAC-GT-Auction/11 dated 09.06.2011, on the subject cited above and to enclosed herewith the copy of letter No.SO(P)15-34/09/4687, dated 05.11.2011, received from Law and Parliamentary Affairs Department, Government of Punjab.

2. I have been further directed to request you to take further necessary action keeping in view the advice from the Law Department and in accordance with the provisions of the Punjab Mining Concession Rules, 2002.

Encls: as above.

Sd/-

SECTION OFFICER
(TECHNICAL)

.....

Given below advice was sent by the Govt. vide letter No. SOT (M&M) 1-26/2002 Vol-I dated 24.09.2012 below the advice

No.OP:15(75)/2012

GOVERNMENT OF THE PUNJAB
LAW AND PARLIAMENTARY AFFAIRS
DEPARTMENT
06 September 2012

To

The Secretary
Government of the Punjab
Mines & Minerals Department

Subject:- **LEGAL OPINION REGARDING PAYMENT OF SURFACE RENT
TO MUHAMMAD BASHIR BY M/S. MODERN MINERALS**

I am directed to refer to letter No.SOT(M&M)1-26/2012 Vol-I, dated 23.08.2012 on the subject and to state that the rights and liabilities of the former licensee need to be determined under the Punjab mining concession rules 2002. Rule 143 of the rules ibid encapsules enabling provisions both for Government land and private land. The interest of the private land owners has inter alia been protected in terms of rule 186 of the said rules by providing that on the surrender, expiry, restoration or determination of licenses of a lease, the licensee or the lessee, as the case may be, shall be reasonable for payment of outstanding dues and other charges which in the even of non-payment of outstanding dues and other charges which in the event of non-payment shall be recoverable as arrears of land revenue. The said rule can be construed as an enactment for purposes of section 114 of the Punjab Land Revenue Act 1967 and also has a nexus with section 114(f) of the said Act which empowers the Government to recover as arrears of land revenue such further sums as it considers necessary in public interest.

2. In the light of the above, the surface rent, as determined by the licensing authority in respect of the private land, can be recovered from the former licensee as arrears of land revenue in terms of rule 186 of the Punjab Mining Rules 2002 read with section 114 of the Punjab Land Revenue Act, 1967.

Sd/-

(ABID RAZA)

Deputy Secretary (O&R)

.....
No. SOT (M&M) 1-26/2002 Vol-I
GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT
Dated Lahore the 24th September, 2012

To

The Director General,
Mines & Minerals, Punjab, Lahore.

Subject:- **LEGAL OPINION REGARDING PAYMENT OF SURFACE RENT
TO MUHAMMAD BASHIR BY M/S. MODERN MINERALS**

Please refer to your letter No.DGM&M/ML-LHR-ORD.SAND(1)/2012 dated nil on the subject noted above.

4. I have been directed to enclose herewith the copy of letter No.OP:15(75)/2012/3841 dated 06.09.2012, received from Law & Parliamentary Affairs Department, for onward submission to the Provincial Ombudsman, Punjab regarding pending hearing of Muhammad Bashir Vs. Modern Minerals for payment of surface rent.

End: as above.

Sd/-

SECTION OFFICER (TECH)

.....

Form No: HCJD/C-121
ORDER SHEET
IN THE LAHORE HIGH COURT, LAHORE
JUDICIAL DEPARTMENT

Case No: W.P.No.28786/2012

Chaudhry Saif Ullah Ranjha

Government of Punjab, etc.

Versus

S.No. of order/ Proceeding	Date of order/ Proceeding	Order with signature of Judge, and that of parties of counsel, where necessary
-------------------------------	------------------------------	---

- | | | |
|-----|------------|--|
| (5) | 14.12.2012 | Mr. Tahir Attique Paracha, Advocate for petitioner. Ch. 'Muhammad Iqbal, Addl. Advocate General Punjab with Zafar Javaid Director Mines' and Minerals, Punjab, Lahore. |
|-----|------------|--|

Through this constitutional petition, petitioner has challenged the order of a Provincial Minister when on 10.9.2012 he suspended the petitioner's contract.

2. The respondents appeared today and filed self-contained note which shows that the competent authority/officer has refused to accept the orders of the Minister in the following terms:

"It is incorrect that' his work order was suspended/cancelled by the Minister of Mines & Minerals Punjab. In fact on an application of local residents of Talibwala District 'Sargodha, the minister for Mines & Minerals Department issued a directive to Director General Mines & Minerals for suspension of the work order of the petitioner. The possibility of the implementation of the said directive was examined in the Directorate, in the light of Punjab Mining Concession Rules 2002. Since it was not possible under the rules to suspend the work order of the petitioner. Hence the said directive of the Minister was not implemented. Neither it was communicated to the land owners nor to the petitioner. Therefore, work order of the petitioner is intact and has not been suspended by any authority. Hence there is no question of its restoration."

and petitioner's contract was not suspended.

3. Learned counsel for petitioner submits that the petitioner's contract has been suspended and he has not been allowed to work on contract inspite of the fact that he has paid the amount as per terms of contract.

4. Through this petition, petitioner has only assailed order dated 11.9.2012 of the Provincial Minister who passed the order in the following terms:

"After considering submissions made by the petitioners, which are genuine work order dated 7.8.2012 issued in favour of Saifullah Ranjha regarding ordinary sand zone No.6 situated near Talibwala District Sargodha is hereby directed to suspend with immediate effect and avoid any loss."

5. The Minister has no authority to pass this order and it was an interference in the work of the respondent-department. The officer who refused to accept the orders of the Minister should be appreciated as he has refused to accept the illegal orders of a Minister.

6. As the respondents have not accepted the orders of the Minister

assailed through this petition, the petition has borne fruits and is disposed of accordingly. The petitioner if has any grievance, he may approach the respondents for redressal of his grievance, if any.

Sd/-
(Muhammad Khalid Mehmood Khan)
Judge

.....
No. SOT (M&M) 3-4/2012
GOVERNMENT OF THE PUNJAB
MINES & MINERALS DEPARTMENT
Dated Lahore the 20th March, 2013

To

The Director General,
Mines & Minerals, Punjab,
Lahore.

Subject:-

GRANT OF CONCESSION FOR SURFACE MINERALS SILICA SAND, FIRECLAY, GYPSUM, CHINA CLAY, OCHRE, LATRITE, FULLER'S EARTH AND BENTONITE THROUGH OPEN AUCTION.

I am directed to refer to your note dated 07.07.2012, on the subject cited as above and to state that a summary was submitted to the Chief Minister, Punjab who has been pleased to approve the following:

- i) Areas applied for (1318 pending applications) for grant of prospecting licenses for Silica Sand, Fireclay, Gypsum, China Clay, Ochre, Latrite, Fuller's Earth and Bentonite, lying with the Directorate General Mines & Minerals, Punjab, be allowed to be auctioned after due publicity through press and grant mining leases directly for a period of five years to the highest bidders. The leases so granted will be renewable for a further term of five years on satisfactory performance of the concessionaires.
 - ii) 263 prospecting licenses already granted for surface minerals, after completing five years prospecting period, be allowed to be converted into, mining leases after considering their performance and investment made by the licensees for a period of five years and will be renewable for a further period of five years on satisfactory performance. On expiry of the renewal period, the said leases be allowed to be granted through auction for a period of ten years.
 - iii) 359 mining leases already granted for surface -minerals be allowed to complete their terms. On expiry, these leases be allowed to be granted one renewal of five years. On expiry of renewal period, the said leases be allowed to be granted subsequently through auction afresh for a period of ten years each time.
3. I am further directed to request you to comply with the above orders and proceed further, in the matter, accordingly.

Sd/-
Additional Secretary

.....

The End