

NOTICE

Subject: Public consultation on draft Mineral Concession (Amendment) Rules, 2022 and draft amendment to notification on royalty.

Central Government has taken various initiatives aimed at promotion of Ease of Doing Business. Decriminalization of minor violations under various laws is another step in this regard so as to minimize the risk of imprisonment for entrepreneurs/citizens for relatively minor violations. Hence, Ministry of Coal has undertaken a review of penal provisions in Mineral Concession Rules, 1960 (hereinafter, 'MCR') to identify violations which could either be decriminalized and violations for which the penalty can be reduced.

2. Further, it is under consideration to amend Rule 64A of MCR 1960 to amend the rate of charging of interest on late payment of rent, royalty and other such amount as prescribed from twenty four to twelve per cent. However, the said interest would be charged from the date of expiry of time period allowed by the State Government.

3. Moreover, in order to impart clarity regarding adjustment of excess royalty paid to the State Government it is being considered to make incorporations in the existing Rule 64B. Also, since the royalty is to be charged on Run-of-Mine Coal as provided for in Rule 64B, an amendment in the existing notification on royalty notified vide G.S.R. 349 (E) dated 10.05.2012 is also under consideration to bring it in alignment with Rule 64B.

4. Accordingly, Ministry of Coal has prepared draft Mineral Concession (Amendment) Rules, 2022 seeking to amend the MCR, 1960 and draft amendment in the notification for royalty on coal/lignite as per Second Schedule of Mines and Minerals (Development and Regulation) Act, 1957.

5. As part of the Pre-Legislative Consultation Policy, the draft Amendment Rules and the draft notification are made available as **Annexure I and II** respectively. Comments/suggestions are invited from the general public, Government of States and Union Territories, mining industry stakeholders, industry associations, and other persons and entities concerned, on the draft Amendment Rules and the draft notification.

6. All stakeholders are requested to send their comments/suggestions by e-mail in MS-Office Word format to the following email id **on or before 27.07.2022**:

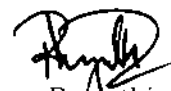
Email: rishan.r75@nic.in

The subject of the e-mail should be "Comments/suggestions on the draft Mineral Concession (Amendment) Rules, 2022".

7. Alternatively, comments/suggestions may also be addressed to the Under Secretary (P&S-I Section), Ministry of Coal, Government of India, Room No 350, A-wing, Shastri Bhawan, New Delhi 110001.

The envelope may kindly be superscripted on top with:

"Comments/suggestions on the draft Mineral Concession (Amendment) Rules, 2022".



(Rishan Rynathiang)

Under Secretary to the Government of India

Tel: 23073936

[To be published in Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

Ministry of Coal

Notification

New Delhi, the July, 2022.

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

1. **Short title and commencement.**— (1) These rules may be called the Mineral Concession (Amendment) Rules, 2022.

(2) Save as otherwise provided in these rules they shall come into force on the date of their publication in Gazette of India.
2. **Amendment of rule 64A.**—In the principal rules, in rule 64A, for the words “twenty four per cent”, the following words and symbol shall be substituted “twelve per cent.”, and the words “the sixtieth day of” shall be omitted.
3. **Amendment of rule 64B.**—In the principal rules, in rule 64B, after the first proviso, the following proviso shall be inserted, namely:—
“Provided further that any amount paid under the first proviso shall be subject to adjustment on the basis of-
(a) final declaration of the grade of coal or lignite after sampling, or
(b) final declaration of the National Coal Index of the relevant basket of coal grade(s) or National Lignite Index, as applicable, on the date of dispatch or consumption,
as the case may be, and payment of shortfall royalty to the lesser or refund of additional payment to the lessee shall be made based on such adjustment.”.
4. **Substitution of rule 76.**—In the principal rules, for rule 76, the following rule shall be substituted, namely:—
“76. **Penalty.**—(1) Any contravention of rules 7 [sub-rules (1), (2) and (3)], 14 [sub-rules (1), (2) and (3)], 16 [sub-rules (1) and (2)], 18, 19, 21B, 22A, 22B [sub-rules (4) and (5)], 22E [sub-rule (1)], 22F, 27 [sub-rules (1), (2) and (3)], 27A, 29A, 37 [sub-rule (1)], 40D, 42, 44 to 51, 62 [sub-rule(1)], 66, 66A and 72

shall be punishable with imprisonment for a term which may extend to two years or with fine which may extend to rupees five lakhs, or with both, and in the case of a continuing contravention, with additional fine which may extend to rupees fifty thousand for every day during which such contravention continues after conviction for the first such contravention.

(2) Any contravention of rules 20, 22B [sub-rules (1), (2) and (6)], 32, 33, 37A, 40B [sub-rules (1) and (2)], 40E [second proviso to sub-rule (1)], 61 and 64A shall be punishable with fine which may extend to rupees five lakhs, and in the case of a continuing contravention, with additional fine which may extend to rupees fifty thousand for every day during which such contravention continues after conviction for the first such contravention.”.

[File No.12012/2/2021-PS1]

(M. Nagaraju)

Additional Secretary to the Government of India

Note:- The principal rules were published in the Gazette of India, Part II, Section 3, Sub-section (i) vide number G.S.R. 1398, dated the 23th November, 1960 and lastly amended vide number G.S.R 717(E) dated the 1st October, 2021.

**MINISTRY OF COAL
NOTIFICATION**

New Delhi, the July, 2022

G.S.R. (E).—In exercise of the powers conferred by sub-section(3) of section 9 of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Central Government hereby makes the following further amendment in the Second Schedule of the said Act, namely:—

(2) In the Second Schedule of the said Act, in item 10 in sub-entry (1) of entry A for the words and symbol “price of coal, as reflected in the invoice” the following words and symbols shall be substituted “the basic pithead price of Run of Mine (ROM) coal, as notified by Coal India Limited or its subsidiaries or by Singareni Collieries Company Limited”.

[File No.12012/2/2021-PS1]

(M. Nagaraju)

Additional Secretary to the Government of India

Note:- The Second Schedule to the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), was first amended *vide* G.S.R 175(E), dated the 31st March, 1975 and lastly amended *vide* G.S.R. 445(E), dated the 14th July 2020.