

SIKKIM



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MINES, MINERALS AND GEOLOGY DEPARTMENT
GOVERNMENT OF SIKKIM
TASHILING GANGTOK- 737101
EAST SIKKIM

No. 02/DMG/25-26

Date:- 02.08.2025

NOTIFICATION

In exercise of the powers conferred by section 15 of the Mines and Minerals (Development and Regulation) Act, 1957, the State Government hereby makes the following rules for regulating the grant of Quarry Lease, mining leases and other mineral concessions in the respect of minor minerals and for the purposes connected therewith, namely:-

CHAPTER I

PRELIMINARY

**Short title,
extent and
commencement**

1. (1) These rules may be called the Sikkim Minor Mineral Concession Rules, 2025.
(2) They shall extend to the whole of Sikkim.
(3) They shall come into force on the date of their publication in the Official Gazette.

Definitions

2. In these rules, unless the context otherwise requires;—
 - (a) “Act” means the ‘Mines and Minerals (Development and Regulation) Act, 1957;
 - (b) “Building stones” includes sand stone, quartzite, schist, limestone, bajri, marble, dolomite, slate and shale when used as building material;
 - (c) “Competent Authority” means the Principal Director of Mines and Geology Department, Sikkim in respect of minor minerals as listed at Schedule ‘X’ or the Principal Chief Conservator of Forest and Environment Department, Sikkim in respect of minor

minerals as listed at Schedule 'Y' or any other authority specified by any Government Notification for exercise of such powers and carrying out of such functions as specified in these rules ;

- (d) "Competitive bid" means an amount offered by the participant in the open auction or tender process under these rules;
- (e) "Dead Rent" means a rent payable for every year of the lease of the Minor Minerals. The date of commencement of the year will be the date of execution of the lease deed;
- (f) "Department" means Mines and Geology Department, Sikkim in respect of minerals under Schedule - 'X' and Forest and Environment Department, Sikkim in respect of minerals under Schedule - 'Y';
- (g) "Form" means a form appended to these rules;
- (h) "Fund" means District Mineral Foundation Trust fund;
- (i) "Government" means the State Government of Sikkim;
- (j) "Mineral concession" means a mining lease or permit in respect of minor mineral and includes mining permits and any other mineral concession, permitting the mining of minor mineral in accordance with the provisions of these rules;
- (k) "Mining" means an activity to extract minor minerals by surface quarrying or by underground methods, by scrapping, digging, picking, boring or by any other means;
- (l) "Mining lease" means a lease granted to mine, quarry, bore, dig or search for the purpose of win, work and carry away any minor mineral specified therein;
- (m) "Mining permit" means a permit granted for extraction and removal of specified quantity of any minor mineral from a specified area;
- (n) "Lessee" means a person holding a valid grant of lease for raising the minerals from the area granted on lease and would include the plural thereof;
- (o) "Letter of Intent" or Lol means a 'letter of intent' issued to the successful bidder on acceptance of the bid for grant of a mining lease or permit or a mineral concession under these rules;
- (p) "Mining plan" means a plan prepared by a recognized qualified person (RQP) on behalf of mineral concession holder of minor mineral and includes progressive and final mine closure plans;
- (q) "Minor minerals" means building stones, gravel, ordinary clay, ordinary sand other than sand used for prescribed purposes and any other minerals which the Central Government has declared from time to time or may declare, by notification in the Official

Gazette, to be a minor mineral, under clause (e) of section 3 of the Mines and Minerals (Regulation and Development) Act, 1957;

- (r) “Principal Director” means the Principal Director of Mines and Geology Department, Government of Sikkim;
- (s) “Principal Chief Conservator of Forest” means the Principal Chief Conservator of Forest (Head of Forest), Forest and Environment Department, Government of Sikkim.
- (t) “Public works” means public roads, public buildings, reservoirs, irrigation canals, village paths, tanks, etc;
- (u) “Schedule” means the Schedule appended to these rules;
- (v) “Section” means the section of the Act;
- (w) “Scientific mining” means and refers to mining operations consistent with the approved mining plan or scheme of mining, clearances or permissions granted by the Competent Authority;
- (x) “Un-authorised mining” means any mining operation undertaken without any valid mineral concession granted under these rules;
- (y) “Un- scientific mining” means and refers to the manner of undertaking mining operations not consistent with the mining plan or scheme of mining approved, clearances or permissions granted by the Competent Authority;
- (z) Words and expressions used and not defined in these rules, but defined in the Act shall have the same meanings as are respectively assigned to them in the Act.

CHAPTER – II

PROHIBITION OR RESTRICTION OF MINING OPERATIONS

Prohibition of mining or quarrying operations without mining lease or mining permit

3. (1) Notwithstanding anything contained in any Act, rule or regulation, no person shall undertake any mining or quarrying operations in any area except under and in accordance with the terms and conditions of a mining lease or mining permit, as the case may be, granted in accordance with the provisions of these rules:

Provided that nothing in this sub-rule shall affect any mining operations undertaken in any area in accordance with the terms and conditions of a lease or permit granted before the commencement of these rules, which is in force at the time of such commencement.
- (2) No mining lease or mining permit shall be granted in respect of minor minerals otherwise than in accordance with the provisions of these rules.

Restrictions on the grant of mining lease or mining permit

4. (1) No mining lease or permit shall be granted to a person who is not a citizen of India.
- (2) No mining lease or permit shall be granted in respect of any land notified by the State Government as reserved for the use of the Government, local authorities or for any other public or for special purposes such as within the vicinity of National Highway except with the previous approval of the State Government.
- (3) No mining lease or permit shall be granted in reserved and protected forest areas without statutory clearances.

CHAPTER - III

GRANT OF MINING LEASE

Power to grant mining lease

5. A mining lease or mining permit or any other concession or license or transit pass or permit or license or control or regulation of mining or other actions under these rules, etc. shall be granted by :-
- (1) The Principal Director of Mines and Geology Department, Sikkim or any other officer authorized by the Government by notification in this behalf in respect of minor minerals for industrial and specific uses as specified in Schedule 'X'; and
- (2) The Principal Chief Conservator of Forest and Environment Department, Sikkim or any other officer authorized by the Government by notification in this behalf in respect of minor minerals for uses other than in industry as specified in Schedule 'Y';

Application for Mining of minor minerals by Government Departments/ Agencies/ Contractors engaged by them

6. 1. An application for the grant of mining permit for quarrying of any minor mineral by the notified Departments of State or Central Government or any of their agencies for any work or project, shall be made by an officer authorized by the concerned Department or the agencies to the competent authority.
2. The contractors engaged for the works or projects of the Government Departments or Agencies shall be granted mining permit for the required quantity as specified in the detailed project report for execution of the works or projects on making an application under sub-rule (1) above.
3. The Department or the Agency or the contractor granted a permit under sub-rule (1) above, shall be liable to pay royalty, dead rent or fee etc, in advance as notified by the Government and shall abide by the terms and conditions of such grant and other laws as applicable to the lessee or any other concession holders(s) unless specifically relaxed.

Grant of mining lease through competitive bidding

7. (1) No mining lease shall be granted by the competent authority unless it is satisfied that there is evidence to show that the area for which grant of mining lease is considered has been prospected earlier for minor minerals or the existence of minor minerals therein has been established otherwise.

- (2) Where the competent authority decides that any areas with minor mineral deposits are to be operated under a lease, mining lease may be granted subject to rule 6, for a period ordinarily not less than 2 years but not exceeding 10 years for schedule X and not more than 2 years for schedule Y following a competitive bid process as provided under Chapter 6 of these rules. Provided that the competent authority may, wherever it deems necessary, pre-qualify the bidders, with the pre-qualification criteria determined upfront, by inviting expression of interest through a public notice, and limit the bidding process among such pre-qualified bidders.
- (3) A lease deed shall be executed by the successful bidder with the competent authority in the prescribed Form ML-1, appended hereto, within the period as prescribed under rule 8 of these rules.
- (4) The lessee shall pay royalty in respect of each of the minor minerals extracted or removed or consumed by him or by his agent, manager, employee etc. The royalty shall be payable at the rates prescribed in the Second Schedule appended to these rules.

Execution of mining lease agreement

8. (1) Where a mining lease is granted or renewed, the lease deed shall be executed in Form ML-1 within a period of 45 days of the date of order of grant or renewal of the mining lease and duly registered.
- (2) If the lease deed is not executed within the aforesaid period, the order sanctioning the mining lease shall be deemed to have been revoked and the 'security amount' deposited at the time of auction shall stand forfeited;

Provided that where the competent authority is satisfied that the Letter of Intent (LoI) holder/ lessee is not responsible for the delay in the execution of the lease deed, the competent authority may, for reasons to be recorded in writing, permit the execution of the lease deed beyond a period of 45 days but not exceeding 90 days of the expiry of the aforesaid period.
- (3) The LoI holder or lessee shall also furnish a solvent surety for a sum equal to the annual bid amount for execution of the agreement. In case the surety offered by the lessee during the subsistence of the mining lease is not found solvent, the lease shall be offered to another solvent surety and a supplementary deed to this effect shall be executed.

Renewal of mining lease

9. (1) The lessee shall submit application for renewal of mining lease six months before the date of expiry of lease period in the prescribed Form ML-5 to the competent authority giving complete details of the minerals excavated, royalty paid, mineral reserves

available, details of explorations undertaken, if any, along with the details of the areas reclaimed or restored, the sites of overburden, restoration works undertaken or any other details. The details regarding compliance of other statutory requirements such as environmental clearance, safety provisions and the rules and regulations framed thereunder shall also be provided.

- (2) No application for renewal of a mining lease shall be considered in a case where the lessee has been found to be indulging in any violation of the conditions of original lease grant or has been penalised or held accountable for such violations.
- (3) Every application for renewal of a mining lease shall be accompanied with a non- refundable fee of Rs. 1,000/- per hectare or part thereof, subject to a minimum of Rs. 50,000/-. Besides, the application shall be accompanied with the following supporting documents;-

- (a) a valid clearance certificate for payment of mining dues on all accounts, such as royalty, dead rent, contract money, the Fund, and the surface rent payable to the landowners under the Act or the rules made hereunder, in respect of the original mining lease or any other mineral concession held by him in the State from the competent authority;
- (b) in case of a firm or a company or association of persons, a valid clearance certificate shall be submitted in respect of the firm, company or association of persons as well as the other firms in which partners in the applicant firm are partners or directors;

Provided that the grant of a clearance certificate shall not discharge the holder(s) of such certificate from the liability to pay the mining dues which may subsequently be found to be payable by such applicant under the Act or rules made hereunder.

- (c) where any injunction has been granted by a court of law or any other authority, staying the recovery of any such outstanding mining dues or income tax, non-payment thereof shall not be treated as a disqualification for the purpose of renewing the said mining lease.
- (4) The competent authority shall issue notice within thirty days from the date of receipt of application to make up the deficiencies in the application, if any, or for furnishing any additional information as may be required by the competent authority, requiring the applicant(s) to supply the requisite information within a period of thirty days from the date of issue of such notice. In case the said information is not furnished within such specified period, the application shall be decided on the basis of information already submitted along with application.

- (5) The renewal of a lease shall be considered only in cases where the lease has been granted after the commencement of these rules.

Acknowledgement 10. of application

- (1) Where an application for renewal of a mining lease is delivered personally, its receipt shall be acknowledged forthwith.
- (2) Where such application is received by registered post, its receipt shall be acknowledged within 7 (seven) days of receipt.
- (3) The receipt of every such application shall be acknowledged in Form ML-6 and be registered in Form ML-3.

Refusal of application for grant of renewal of mining lease

11. The Competent Authority or his authorized Officer may, for reasons to be recorded in writing, refuse to grant or renew a mining lease over the whole or part of the area applied for.

Refund and forfeiture, etc.

12. (1) Where an application for grant or renewal of a mining lease is refused or deemed to have been refused, the fee paid by the applicant under sub-rule (3) of rule 9 shall be refunded to him.
- (2) Where the whole or any part of the amount deposited under sub-rule (3) of rule 9 has not been expended for the purposes specified in rule 8, it shall be refunded to the applicant.
- (3) Notwithstanding anything contained in sub-rule (1), where an application for grant or renewal of mining lease is rejected on account of any lapse on the part of the applicant in supplying any material information required, the fee paid by the applicant shall be forfeited to the State Government.

Period of mining lease and renewal

13. (1) A mining lease granted under sub-rule (2) of rule 7 may be renewed for 2 (two) periods each not exceeding the period for which the lease was originally granted with respect to the minerals in Schedule 'X';
- (2) Notwithstanding anything contained in sub-rule (1), if the Competent Authority is of the opinion that it is necessary in the interest of mineral development, he may, for reasons to be recorded in writing, renew a period for which the lease was originally granted.

Conditions of mining lease

14. (1) Every mining lease shall be subjected to the following conditions, namely : -
 - (a) The lessee shall pay royalty on the minor mineral or minerals extracted by him from the lease area at the rates specified in the Second Schedule at such times and in such manners as the Competent Authority may prescribe.
 - (b) The lessee shall submit to the Competent Authority or his authorized Officer a monthly production returns in Form – MMP1.

- (c) The lessee shall report to the Competent Authority the discovery in the leased area of any minerals not specified in the lease, within 30 (thirty) days of such discovery.
- (d) If any mineral not specified in the lease is discovered in the leased area, the lessee shall not win and dispose of such minerals unless such mineral is included in the lease or a separate lease is obtained thereof.
- (e) The lessee shall pay, for every year, one month before the completion of one year of the lease, the dead rent applicable, and if the lease permits the working of more than one mineral in the same area, the Government shall not charge separate dead rent in respect of each mineral.
- (f) The lease shall also pay, for the surface area used by him for the purpose of mining operations, surface rent at such rate not exceeding the land revenue, as may be specified by the State Government in the lease.
- (g) The lessee shall not employ, in connection with the purpose of mining operations, any person who is not an Indian National, except with the previous sanction of the Central Government.
- (h) Unless the Competent Authority or his authorized Officer for sufficient cause permits otherwise, the lessee shall commence mining operation within 6 (six) months from the date of execution of the lease and shall thereafter conduct such operations in a proper skilful and workman like manner and shall not work it in such a manner as may likely to cause natural disaster and/or environmental hazards or as may prove dangerous to human life or cattle or other livestock or agricultural land or forest land or both government or private properties viz. building, structures, roads etc.

Explanation:

For the purpose of this clause, mining operations shall include the erection of machinery, laying of tracks or construction of roads in connection with the working of the mine.

- (i) The quality of minor minerals to be used for construction purposes shall conform as per the specification of Indian Standard (IS) codes.
- (j) The lessee shall at his own expense erect and at all times maintain and keep in good condition boundary marks and pillars, where necessary to indicate the demarcation shown in the plan annexed to the lease.
- (k) The lessee shall not carry on or allow to be carried on, any mining operations at any point within a distance of 75 (seventy five) metres from any railway line if any, except under and in accordance with the written permission of the

railway administration concerned, 50 (fifty) metres from any reservoirs, canals or other public works, or buildings, 75 (seventy five) metres from bridges on highways except under and in accordance with the previous permission of the Competent Authority.

- (l) The lessee shall keep correct accounts showing the quantity and other particulars of all minor minerals obtained and despatched from the mine date-wise, the prices obtained for such minerals, the number and nationality of persons employed therein, and shall allow any officer authorized by the competent authority to inspect at any time any account, plan and record maintained by him and shall furnish the Competent Authority or other officers authorized by the Competent Authority with such information, plans and return as it may be required.
- (m) The lessee shall allow any officer authorized by the State Government or the Competent Authority to enter upon any building, excavation or land comprised in the lease for the purposes of inspecting the same.
- (n) The Competent Authority shall at all times have the right of pre-emption of the minerals won from the land in respect of which lease has been granted :

Provided that the fair market price prevailing at the time of pre-emption shall be paid to the leasee for all such minerals.

- (o) The lessee shall submit an annual return on minerals extracted, dispatched, royalty paid, etc., in Form MMP-2 to the Competent Authority as the case may be by the 15th of April for the preceding financial year.
- (p) The lessee shall without delay send to the Competent Authority or his authorized Officer a report of injury to any person which may occur in or around the quarry or mine and shall observe all rules in force regulating the working of quarries or mines.
- (q) The lessee shall strengthen and support to the satisfaction of the railway administration concerned or the State Government as the case may be, any part of the mine or quarry which in its opinion requires such strengthening and support for the safety of any railway, reservoir canal, road, bridge or any public works or buildings.
- (r) The lessee shall not pay to his worker a wage less than the minimum wage prescribed by the Central or State Government from time to time under the Minimum Wages Act, 1948.

- (s) The lessee shall take adequate measures for planting in the same area or any other area selected by the Competent Authority not less than twice the number of trees destroyed by reason of any mining operation or to the extent possible, the restoration of flora and fauna and other vegetation destroyed by such operations.
 - (t) The mineral lessee holder shall immediately inform in writing in Form 'MSE-1" incase (a) the working in the mines extends below the superjacent ground, or (b) the depth of any opencast excavation reaches 6 meters (measured from it's highest to the lowest point) (c) the numbers of persons employed in any day is more than 50 or (d) use of any explosive to the competent authority.
- (2) When a mine is opened or closed or there is change of agent or manager, the lessee shall forthwith communicate the actual date of opening or closing or of change of the manager or agent as the case may be to the Competent Authority.
- (3) A mining lease may contain such other conditions as the Competent Authority may deem necessary in regard to the following, namely:-
- (a) the time limit, mode and place of payment of rents and royalty;
 - (b) the compensation for damage to the land covered by the lease;
 - (c) the felling of trees;
 - (d) the restriction of surface operations in any area prohibited by any authority;
 - (e) the notice by lessee for surface occupation;
 - (f) the provision of proper weighing machines;
 - (g) the facilities to be given by the lessee for working other minerals in the leased area or adjacent area;
 - (h) the entering and working in a reserved or protected forest;
 - (i) the securing of pits and shafts;
 - (j) the indemnity to Government against claims and third parties;
 - (k) the maintenance of hygienic conditions in the mining areas;
 - (l) the delivery of possession of lands and mines on the surrender, expiration or determination of the lease;
 - (m) the forfeiture of properly left after determination of lease;
 - (n) the power to take possession of plant, machinery, premises and mines/quarry in the event of war or emergency.

- (4) If the Competent Authority is of the opinion that in the interest of mineral development it is necessary so to do, he may in any case, with the previous approval of the State Government impose such further conditions as he thinks fit.
- (5) If the lessee does not allow entry for inspection under clause(m) of sub-rule (1), the State Government or the Competent Authority shall give notice in writing to the lessee requiring him to show cause within such time as may be specified in the notice why the lease should not be terminated and his security deposit forfeited; and if the lessee fails to show cause within the aforesaid time to Government or Competent Authority as the case may be, may terminate the lease and forfeit the whole or part of the security deposit.
- (6) If the lessee makes any default in payment of royalty or dead rent or surface rent under clause (a), (e) or (f) of sub-rule(1) or commits a breach of any of the conditions other than those referred to in sub-rule (5), the Competent Authority shall give notice to the lessee requiring him to pay the royalty or remedy the breach, as the case may be, within 30 (thirty) days from the date of receipt of the notice and if the royalty or dead rent or surface rent is not paid or the breach is not remedied within such period, the competent Authority may, without prejudice to any proceeding that may be taken against him, determine the lease and forfeit the whole or part of the security deposit.

Lease to be executed within ninety days

- 15. (1) Where on grant of mining lease, or order has been made for grant of such lease and an approved mining plan is to be submitted to the competent authority, thereafter, a lease deed in Form ML-1 shall be executed within 90 (ninety) days of the order or within such further period as the competent authority may allow in this behalf. If no such lease deed is executed within the said period due to any default on the part of the applicant, the Competent Authority or his authorized agents may revoke the order granting the lease and in that event, the application fee shall be forfeited to the State Government.
- (2) The date of the commencement of the period for which a mining lease is granted shall be the date on which the deed is executed under sub-rule (1).

Rights of the lessee

- 16. Subject to the conditions mentioned in rule 14, the lessee in accordance with the lease deed executed under rule 15, in respect of the land leased to him, shall have the right for the purpose of mining/quarrying operation on that land to mine/quarry, to erect plant and machinery, to construct temporary sheds and roads, to use land for stocking purpose; to use water, sell or dispose of the minor minerals specified in the lease deed.

Maximum area for which mining lease may be granted	17. No person shall acquire in the State in respect of any minor mineral, one or more mining leases covering a total area of not more than 20 hectares for minor minerals in schedule X and not more than 2 ha for minor minerals in schedule Y: Provided that if the State Government deems it necessary to do so, it may for reasons to be recorded, permit any person to acquire one or more mining leases covering an area in excess of the aforesaid maximum area.
Length and breadth of area leased	18. Except in case of minor minerals like ordinary sand, gravel, loose boulders/stones, lime shell, lime kanker, pebbles, murram etc., the length of an area granted under a mining leases shall not exceed four times its breath: Provided that in case of bedded deposits, the length may not be more than twice the breadth measure along the dip.
Boundaries below the surface	19. The boundaries of the area covered by a mining lease shall run vertically downward below the surface to the centre of the earth.
Lapse of leases	<p>20. (1) Subject to the other conditions of these rules where mining operations are not commenced within a period of 6 (six) months from the date of execution of the lease or is discontinued for a continuous period of 6 (six) months after such operations, the competent Authority or his authorized Officer shall, by an order, declare the mining lease lapsed and communicate the declaration to the lessee.</p> <p>(2) Where a lessee is unable to commence the mining operation within a period of 6 (six) months from the date of execution of the lease deed, or discontinues mining operations for a period exceeding 6 (six) months for reasons beyond his control, he may submit an application to the Competent Authority explaining the reasons for the same, at least 2 (two) months before the expiry of such period.</p> <p>(3) Every such application under sub-rule (2) shall be accompanied by a fee of two thousand rupees.</p> <p>(4) The Competent authority may, on receipt of an application made under sub-rule (2) and on being satisfied about the adequacy and genuineness of the reasons of the non-commencement of mining operations or discontinuance:</p> <p>Provided that where the Competent Authority on receipt of an application under sub-rule (2) does not pass an order before the expiry of the date on which the lease would have otherwise lapsed, the lease shall be deemed to have been extended until the order is passed by the competent Authority or until a period of 6(six) months, whichever is earlier in respect of minor minerals listed in Schedule 'X' or until a period of 2(two) months, whichever is earlier in respect of minor minerals listed in Schedule 'Y'.</p>

Explanation :	<p>Where the non-commencement of the mining operations within a period of 6(six) months from the date of execution of lease deed is on account of delay in :-</p> <ul style="list-style-type: none"> (a) acquisition of surface rights; or (b) getting the possession of the leased area; or (c) supply and installation of machinery; or (d) getting financial assistance from banks or any financial institutions; and the lessee is able to furnish documentary evidence in support of his application, the Competent Authority may consider whether they are sufficient reasons and/or beyond control of the lessee for the non-commencement of operations; (e) In the event of natural disaster.
Registration of mining lease	<p>21. A mining lease granted under these rules shall be registered in Form ML-3.</p>
Right to terminate lease	<p>22. (1) The competent Authority may at any time terminate a lease for reasons to be recorded in writing in the event of contravention, on the part of the lessee, in compliance of any of these rules or Act.</p> <p>(2) The lessee may also, on his part, terminate the lease granted to him at any time giving not less than 6 (six) months notice in writing to the Competent Authority after paying all outstanding dues to the State Government.</p>
Royalties in respect of leases	<p>23. (1) The holder of a mining lease granted on the commencement of these rules shall notwithstanding anything contained in the instrument of lease or in any law in force at such commencement, pay royalty in respect of any minor mineral removed or consumed by him, or by his agents, contractors or sub-lessee from the lease hold area at the rate from the time being specified in the Second Schedule in respect of that minor mineral.</p> <p>(2) The holder of the mining lease granted on or after the commencement of these rules shall pay royalty in respect of any minor mineral removed or consumed by him, or by his agents, contractors or sub-lessee from the leased area at the rate for the time being specified in the Second Schedule in respect of that Mineral.</p> <p>(3) The State Government may, by notification in the Official Gazette, amend the Second Schedule so as to enhance or reduce the rate at which royalty shall be payable in respect of any minor mineral with effect from such date as may be specified in the notification:</p>

Provided that the rate of royalty in respect of any minor mineral shall be revised with the approval of the Government through Government Notification as notified from time to time.

CHAPTER – IV

Transfer of Mining Lease

Transfer of mining lease

24. (1) The lessee shall not, without the previous consent of the competent authority.-

- (a) assign, sublet, mortgage, or in any other manner transfer the mining lease or any right, title or interest therein; or
- (b) enter into or make any arrangement, contract, or understanding whereby the lessee will or may be directly or indirectly financed to a substantial extent by or under which the lessee's operations or undertakings will or may be substantially controlled by any person or body of persons other than the lessee:

Provided that the Competent Authority shall not give his written consent unless -

- (i) the lessee has furnished an affidavit along with application for transfer of the mining lease specifying the amount he has already taken or proposes to take as consideration from the transferee;
 - (ii) the transfer of the mining lease is to be made to a person or body of persons directly undertaking the mining operation;
 - (iii) the transfer or/and transferee produce varied clearance certificate of payment of mining dues such as royalty, dead rent, surface rent, cess, etc.
- (2) The lessee may, subject to conditions of sub rule (1) and with the previous approval of the Competent Authority assign or transfer his lease or any right, title or interest to a person of Indian Nationality on payment of a fee of Rs. 10000/- (Rupees ten thousand) only to the State Government in the manual prescribed in ML-4.

Transfer of lease to be executed within three months

25. Wherein an application for transfer of a mining lease under rule 24 is made, such transfer of lease shall be executed within 3(three) months from the date of consent given by the Competent Authority or within such further period as the Competent authority may allow in this behalf.

CHAPTER - V

Grant of Mining or Quarrying Permits

Grant of Mining/ quarrying Permits

- 26** (1) Subject to rule 6, mining or quarrying may be granted by the competent authority in respect of any area not covered under any mineral concession already granted under these rules in the following cases:-
- (i) Mining in respect of areas ordinarily less than five hectares for a specified annual quantity or part (s) thereof of minor mineral;
 - (ii) Permits for specific Government works under emergency conditions.
- (2) All mining or quarrying permits in respect of sub clause (i) above shall be granted following a competitive bid process, unless specifically decided otherwise by the Government in any specific case.
- (3) The mining or quarrying permits in respect of sub clause (i) pertaining to private land and sub clause (ii) above shall be granted on the basis of application submitted under rule 28 and rule 29.
- (4) A mining permit under these rules may be granted for a period as considered appropriate by the competent authority, but not exceeding two years, on such terms and conditions as may be stipulated therein.
- (5) The competent authority, may refuse the application to grant permits in respect of sub-clauses (ii) and (iv) mentioned under sub-rule (1) of this rule for reasons to be recorded in writing.

Grant of Permits for mining over area less than five hectares

- 27.** (1) Subject to sub-rule (2) of rule 26, permits for mining of minor minerals may be granted by the competent authority for extraction of minor minerals in respect of areas ordinarily less than five hectares.
- (2) Permits under this rule shall be granted only in cases where the competent authority decides such areas to be operated for short periods under special circumstances and with adequate environmental safeguards, precautions and applicable clearances.
- (3) In case more than one individual/ agency shows interest in taking the permit, it shall be granted in favour of the individual/ agency offering the highest bid.
- (4) In case of permit granted under this rule, the permit holder shall execute an agreement in Form MPS-1 With the competent authority within a period of ninety days from the date of grant and shall be duly registered.

- (5) The permit holder shall submit monthly production returns in Form MMP-1 along with -
 - (i) the particulars/ details of the land from where he proposes to extract/ remove the brick earth; and
 - (ii) Lay out Plan of the area from where brick earth is to be removed.

Permits for specific emergency situations.

28. The competent authority may, on a requisition from the District Collector of the District concerned with the recommendation of Gram Sabha or the Gram Panchayat, grant permit for extraction of minor minerals from any area including the areas where mineral concession have been granted to such Government Department or any other Government Agency requiring mineral for execution of works relating to emergent flood protection works or any other natural calamity or other pressing circumstances for safety of human and cattle life under emergency conditions: Provided that the Government may decide the terms and conditions of grant of such permits under emergency situations in advance or ex-post-facto.

Application fee for permits

29. The permits, other than those given through competitive bidding process, may be granted on application made to the competent authority on Forms submitted along with non –refundable application fee of Rs. 2500/-: Provided that a Government Department /Agency seeking a permit under Rule- 29 shall be exempted from payment of the application fee.

Conditions on which the permit for mining/ quarrying shall be granted.

30. (1) Any mining operations below a depth of 1.5 meters shall necessarily require formation of benches for safe mining. The benches would be formed in a manner that the width of the bench is not lesser than the height of the bench.
- (2) Any mining permit granted under these rules shall contain information with regard to the following:
 - (i) manner, mode and place of payment of rent, royalties, permit money, Rehabilitation and interest on delayed payments or any other dues as admissible under these rules;
 - (ii) particulars of the receipt heads of the Government to which the payments are to be credited;
 - (iii) rent, compensation of damage to the landowners for the land covered by the permit;
 - (iv) felling of trees, pumping of ground water;
 - (v) restriction of surface operations in any area prohibited by any authority;
 - (vi) entering and working in any forest area;

- (vii) reporting all accidents, use of explosives
 - (viii) indemnity to the Government against claim of third parties;
 - (ix) mineral to be stacked, measured and despatched;
 - (x) applicability of the provisions of all other statutes/rules framed by the Central Government and State Government;
 - (xi) reclamation or restoration of the mining areas and security thereof;
 - (xii) development and conservation of minerals and environment and ecology of the area;
 - (xiii) extent of the area or land from where the minor mineral shall be extracted;
 - (xiv) period within which the minor mineral shall be extracted and removed and delivery of possession of land on the expiry of such period or on removal of the quantity of the minor mineral for which the permit is valid/granted;
 - (xv) Release of security by the authority issuing permit after having satisfied that the permit holder has fulfilled all the conditions of the permit satisfactorily;
 - (xvi) any other condition as may be found expedient by the competent authority to grant the permit , may be imposed in the interest of scientific mining, mineral conservation and mineral development.
- (3) In case the permit holder is not able to remove the whole or any part of the mineral for which he obtained the permit within the permissible time for any reasons: whatsoever, he shall not be entitled to claim the refund of permit amount/ royalty or any part thereof.
- (4) The permit holder shall not carry on or allow to be carried on, any mining operations at any point within a distance of 75(seventy five) metres from any railway line if any, except under and in accordance with the written permission of the railway administration concerned, 50 (fifty) metres from any reservoirs, canals or other public works, or buildings, 75 (seventy five) metres from bridges on highways except under and in accordance with the previous permission of the Competent Authority.
- (5) The permit holder shall submit an annual return on minerals extracted, dispatched, royalty paid, etc., in Form MMP-2 to the Competent Authority as the case may be by the 15th of April for the preceding financial year.

Forfeiture of property left after cancellation of the permit.

31. In case of breach of any of the conditions of the grant of permit, the competent authority may cancel the permit by passing an order after giving thirty days notice to the permit holder and for reasons to be recorded in writing. On cancellation of the permit, unless specifically ordered otherwise, the quarried mineral lying on the land from which the same was extracted shall be allowed to be removed by the permit holder within a period of seven days after which any residual mineral will become the absolute property of the Government.

Chapter-VI

Procedure for inviting competitive bids, auction and payments.

Mode of grants of Mining lease or Contract or permit.

32. (1) Save in the cases specifically mentioned under these rules and where such mineral concessions may be granted on application, all mining leases or permit, shall be granted through a transparent process of inviting competitive bids or open auction.
- (2) The Competent authority may, in the interest of mineral conservation and scientific mining, pre qualify the potential bidders, based on an objective assessment criteria determined upfront, by inviting expression of Interest through general public notice and restrict the bids among the pre- qualified bidders.

Determination of reserve price for inviting bids/ auction.

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

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

34. (1) A public notice of 21 days shall be published for inviting bids or conduct of open auctions for the grant of mineral leases/ permits, as the case may be.
- (2) In addition to the publication of notice in writing, competitive bids/ open auction under sub- rule (1) above, the gist of such notice, along with the schedule for inviting bids/ holding open auctions,

shall also be published in one daily newspaper having good circulation in the area.

- (3) A copy each of the said public notice shall be sent to the District Collectors and others as decided by the competent authority for giving wide publicity in the area.

Earnest Money

- 35.** (1) The intending bidders shall deposit the earnest money, equal to ten percent of the reserve price and rounded by an amount of Rs, 10,000/- in each case before commencement of open auction or deposit with the bid as the case may be.
- (2) In case of competitive bids invited through sealed tenders, the earnest money shall accompany the bid offers in the form of a demand draft drawn in favour of the competent authority.
- (3) In the case of open auctions, the earnest money deposited by all bidders, save in the cases where the earnest money has been ordered to be forfeited by the Presiding Officer on grounds of any misconduct during the Auction proceedings shall be refunded immediately upon completion of the auction proceedings.
- (4) In case the highest bidder fails to deposit 10% of the annual bid amount towards the 'Initial bid security,' his earnest money shall be forfeited and such bidder shall not be eligible to participate in any such auction. Competitive bids in report of the same areas or any other area in the state for a period of five years.
- (5) No person, who is a defaulter of any mining dues in respect of any mineral concession granted in the past or any other current mineral case is found to be in such arrears at any stage, his bid shall be revoked with forfeiture of the amount deposited by him, In case any of the partners of a Partnership Firm or a Director of a Company participating in the bid/ auction process are found to be defaulters, the bidder firm/company would be held ineligible and attract similar action:

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

**Powers of the
Presiding Officer.**

- 36.** (1) The presiding officer shall conduct the auction in a peaceful manner and may direct any bidder to leave the auction premises in the event of a disorderly conduct by or on behalf of any bidder. In cases of extreme misconduct or misbehavior, the presiding officer may order the forfeiture of earnest money deposited by such bidder and recommended his debarring from participation in any future auctions.

- (2) The presiding officer shall send his recommendation through proper channel to the officer competent to accept tender.

Payments of the bid amount

37. (1) No bid shall be regarded as 'successful' unless accepted by the officer competent to accept bid/ tender in accordance with the provisions of the delegation of Sikkim Financial Rules, 2025 of the State.
- (2) The highest bidder shall be required to deposit an amount equal to 25% of annual dead rent as the 'Security' along with an additional amount equal to one month dead rent in advance. In addition the lessee shall pay ten percent of annual dead rent as surety for the purpose of Mining Plan and Mine Closure Plan (Progressive and Final)
- (3) The process for completion of the various stages of payment as specified under sub- rule (2) above shall be as follows:-
- (i) On completion of the bid process i.e. the fall of the hammer or the opening of the sealed bids, as the case may be, the highest bidder shall deposit an amount equal to 10% of the annual bid amount as 'Initial Bid Security' before expiry of the period allowed.
 - (ii) The Amount deposited towards the 'initial bid security' would be adjusted as part of the Bid Security on acceptance of the bid by the competent authority and a letter of Intent (LoI) will be issued in favour of the successful bidder.
 - (iii) The Letter of intent holder shall deposit the balance amount of Bid Security i.e. equal to 15% of the annual bid amount before expiry of the period allowed.
 - (iv) The Amount of security already deposited towards the initial bid security shall be duly adjusted to make up the twenty five bid security amount towards the bid security.
 - (v) Wherever a LoI holder fails to deposit the balance fifteen percent amount towards security as prescribed under sub rule (3)(iii) above, and / or fails to execute the agreement after the issue of letter of intent, the same shall be deemed to have been revoked and the ten percent amount deposited by him towards; initial bid security; shall stand forfeited. In addition, the letter of intent holder/defaulters shall be liable to deposit the unpaid balance of fifteen percent to make up twenty five percent of the bid amount as bid Security.
 - (vi) Where the LoI holder fails to deposit the unpaid fifteen percent amount on demand, such amount with interest shall be recovered as arrears of land revenue under the Sikkim Public Demands Recovery Act, 2006 and such bidder shall be debarred from participation in any subsequent bids for a period of five years.

- (vii) No interest, whatsoever, shall be payable on the security amount deposited.
- (viii) On enhancement of the dead rent with expiry of every two years period, the lessee/ contractor shall deposit the balance amount of security so as to upscale the security amount equal to 25% of the revised annual dead rent as applicable for one year with respect to the next block of two years.

Chapter – VII

Mining operations to be undertaken as per the Mining Plan

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| Mining Plan | <p>38. Any mining operations under a mineral concession granted under these rules shall be undertaken by the mineral concession holder in accordance with a duly approved Mining Plan: Provided that the State Government may exempt certain specified nature of mining activities from the requirements of preparation of a mining plan.</p> |
| Registration of a 'Recognised Qualified Person' (RQP) | <p>39. (1) No person shall be registered as a 'Recognised Qualified Person' for the purposes of rule 40(1) by the Principal Director, unless he possess,-</p> <ul style="list-style-type: none"> (i) a degree in Mining Engineering or a post-graduate degree in Geology granted by a university established or incorporated by or under an Act of Parliament or any institution recognized by the University Grants Commission established under section 4 of the University Grants Commission Act, 1956 (3 of 1956) or any qualification equivalent thereto; and (ii) professional experience of three years of working in a supervisory capacity in the field of mining or mineral administration after obtaining a degree or qualification required under clause (1)(i) above. <p>(2) Any person possessing the qualifications as prescribed under sub-rule (1) above, may apply to the Principal Director, or an officer authorized by him, for registration as a RQP along with a fee of Rs. 1,000/- (Rs. One thousand only). The Principal Director may after making such enquiry as deemed appropriate, grant or refuse to grant recognition and where recognition is refused, the Director shall record the reasons thereof in writing and communicate the same to the applicant.</p> <p>(3) The applicant recognised under sub-rule(2) above shall be so registered for a period of ten years and his registration may be further renewed on application and deposit of the fee as applicable at such time for a further period not exceeding ten years at any one time.</p> |

- (4) The registration of a person as 'Recognised Qualified Person' may be revoked at any time in the case of any misconduct on the part of such person after giving him a notice and opportunity of hearing. Similarly, the Principal Director may refuse to renew recognition for reasons to be recorded in writing after giving him an opportunity of hearing.

Preparation of a Mining Plan by a Recognised Qualified Person.

40. (1) A mining plan shall be prepared by a Recognised Qualified Person (RQP), recognized in this behalf by the Principal Director or an officer authorised by him, or by a person recognized by the Central Government or an officer authorized by the Central Government in this behalf under the provisions of rule 22B of the Mineral Concession Rules, 1960.
- (2) The Director shall specify all persons who are so recognized by him under sub-rule (1) and keep such list of persons published and updated on the website of the department.

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

41. The Principal Director may authorize any of his officers to approve or modify the Mining plan/ Scheme of mining for mining of Minor Mineral in the State subject to such officer fulfilling the following qualifications:-
 - (i) a degree in mining engineering or post-graduate degree in geology from a university established or incorporated by or under a Central Act, or a State Act, including any institution recognized by the University Grant Commission established under section 4 of the University Grants Commission Act, 1956 (3 of 1956), or any equivalent qualification granted by any university or institution recognised in India.

Requirements of a Mining Plan

42. (1) Every mineral concession holder shall prepare a Mining Plan along with the Mine Closure Plan both Progressive and Final and shall not commence mining operations in any area except in accordance with such Mining Plan duly approved by an officer authorized by the Principal Director in this behalf. The plan shall also contain the conceptual plan of the mining area and take into consideration of the following aspects:-
 - (i) Level of Production;
 - (ii) Level of Mechanisation;
 - (iii) Type of Machinery used;
 - (iv) Quantity of diesel/ energy fuel consumption;
 - (v) Environmental Impact Assessment (EIA) followed by Environmental Management Plan (EMP) duly vetted by Forest and Environment Department, Government of Sikkim with compliance to the Sikkim Private and Other Non-Forest Lands Tree Felling Rules, 2025.
 - (vi) District Survey Report of the concerned district

- (2) Where the mining operations have already been undertaken under an existing mineral concession before the commencement of these rules, the holder of such mineral concession shall also submit a Mining Plan along with Mine Closure Plan within a period of 180 (one hundred eighty) days from the commencement of these rules for approval by the authorized officer.
- (3) Every mining plan or scheme of mining submitted for approval under these rules shall be accompanied with a non-refundable fee of Rs. 5,000/- for every square kilometer or part thereof in respect of the mining area covered under the mining plan.
- (4) Every mining plan shall contain all plans, sections serially numbered or suitably indexed. The tracings or copies of such plans and sections duly certified for its correctness by the owner, agent, mining engineer or manager or geologist, by the mining engineer or geologist appointed by the concession holder, shall be kept at the site office of the minor mineral mine or concession area.
- (5) A mining plan shall incorporate the following as a minimum:-
 - (i) the plan of the area under concession delineated on a map with boundaries duly marked along with the positions of boundary pillars with GPS readings;
 - (ii) the plan of the area under concession showing the nature and extent of the mineral body/ spot or spots where the mining operations are proposed to be undertaken;
 - (iii) The plan of the area showing natural water courses, limits of reserves and other forest areas and density of trees, if any, assessment of impact of mining activity on forest, land surface and environment including air and water pollution i.e. the environment management plan;
 - (iv) Details of the geology and lithology of the area including the estimated mineral reserves of the area;
 - (v) Extent of manual mining or mining with the use of machinery and mechanical devices;
 - (vi) Tentative scheme of mining and annual programme and plan for excavation/ production from year-to-year for a period of five years as part of the Mining Plan;
 - (vii) Proposed method of mining/ development of mines, use of explosives and blasting operations, if any, stacking and disposal of minerals, mine-drainage pattern, handling of the overburden, location of electronic weigh bridges, and mineral processing, if any;
 - (viii) Progressive and final mine closure plan;
 - (ix) Details of scheme of restoration or rehabilitation of the area through afforestation, land reclamation, use of pollution control devices and such other measures as may be directed by the State Government from time to time.

- (6) In addition to the requirements stipulated under sub-rule (4) above, every mining plan shall delineate the approach in respect of environmental safeguards and restoration and rehabilitation measures of the area with regard to the following, among others, namely:-
 - (i) Precautions for the protection of environment and control of pollution while undertaking mining operations in the area granted on mining lease/ permit;
 - (ii) Control of air pollution due to dust, exhaust emissions or fumes during mining or processing operations for minor mineral and related activities and containing the same within permissible limits specified under any environmental laws for the time being in force;
 - (iii) Precautions to prevent or reduce the discharge of toxic and objectionable liquid effluents from minor mineral quarry, workshop or processing plant within the permissible limits. No such toxic affluent shall be discharged in any water body or in the sub-soil through a bore-hole;
 - (iv) Abatement of and control over the noise arising out of mining and processing operations for minor minerals so as to keep the same within the permissible limits;
 - (v) Prevention and containment of any damage to the flora of the area held under concession and the nearby area, scheme of undertaking plantation to compensate for any unavoidable damage and maintenance of the same during the subsistence of the concession period;
 - (vi) Removal and stacking of any top soil or over-burden or waste rock and non - saleable minor mineral excavated or generated during the mining operations and utilization of the same for restoration and rehabilitation of the area;
 - (vii) Plan for phased restoration, reclamation and rehabilitation of land affected by mining operations.
- (7) The mining plan, once approved, shall be valid for the mineral concession period, unless revised and modified and got approved during the concession period.
- (8) The owner, agent, mining engineer or manager of every mine shall review the mining plan after every five years and shall submit scheme of mining for the next five years of the concession period for approval.

Modification in the mining Plan or Scheme and other conditions.

43. (1) Where any modification of the approved mining plan is required during the subsistence of the mineral concession, the concession holder shall get any such modification approved.
- (2) The competent authority may, wherever needed, require the mineral concession holder to make such modifications in the mining plan referred to above or impose such conditions, as he

may consider necessary by an order in writing if such modification or imposition of condition are considered necessary,-

- (a) in the light of the experience of operation of mines;
 - (b) in view of the change in the technological development; and
 - (c) in the light of any change in legal provisions or orders of any Court.
- (3) A mineral concession holder, desirous of seeking modifications in the approved mining plan as are considered expedient in the interest of safe and scientific mining, conservation of minerals, or for the protection of environment, shall apply to the Principal Director, setting forth the intended modifications and also explaining the reasons for the same.
 - (4) The Principal Director shall approve the mining plan or such modified mining plan or scheme of mining with or without any modification, as deemed appropriate, within a period of forty-five days from the date of receipt or submission of such application for approval of mining plan or modified mining plan or scheme of mining, as the case may be.
 - (5) Where no decision is conveyed within the aforesaid period of forty-five days, the mining plan or modified mining plan or scheme of mining, as the case may be, shall be deemed to have been provisionally approved, till such time a final decision in the matter is communicated.
 - (6) the competent authority shall release the security deposit, surety furnished by the lessee as under these rules after examining the lessee has satisfactorily completed the provisions as laid in Mining Plan and Mine Closure Plan (Progressive and Final).

Establishment of Budget Head for the purpose of mine closure plan

- 44**
- 1. An amount equal to 10% of dead rent or royalty paid to the State shall be charged from mineral concession holder in the nature of 'other charges' for restoration and rehabilitation works and credited to the budget head in addition to the amount payable to the Government on account of such dead rent or royalty.
 - 2. The said contribution shall be remitted by the mineral concession holder in instalments along with the instalments of dead rent or royalty, as the case may be. Such contribution shall be reconciled at the close of the financial year and any differential of the amount due shall be adjusted or paid on reconciliation.3. T h e Department shall maintain complete account receipts to the Fund and the expenditure therefrom and shall invest the progressive accumulated corpus in a manner so as to earn secure returns therefrom.

Expenditure out of the Fund

- 45**
- The amount available in the Fund shall be utilized strictly for fulfilment of the objectives for which the Fund is being set up and on the terms and conditions as may be stipulated by the Committee under rule 47.

Restoration and Rehabilitation works to remain the first on the fund

- 46 (1) The expenditure on restoration and rehabilitation of the mining sites shall remain the first charge on the fund.
- (2) Every mineral concession holder, before undertaking the restoration and rehabilitation works as part of his progressive mine closure plan, shall get his estimates of expenditure on such works duly approved from the Principal Director or an officer authorised by him and submit the utilisation certificate duly certified by a registered Chartered Accountant. The mineral concession holder shall be entitled to get the expended amount reimbursed out of the Fund to the extent of actual expenditure subject to such reimbursement being limited to the amount contributed by him. Any expenditure incurred over and above this limit shall have to be borne by the mineral concession holder from his own account.

Explanatory Note:

Notwithstanding the expenditure incurred by a mineral concession holder on the measures taken for the progressive mine closure plan, the occasion for undertaking the complete restoration and rehabilitation works in respect of any mining area arises only when a mine reaches the closure stage. It is likely that the mining operations would have been undertaken by multiple concession holders before reaching the stage of closure of a mine. As such, it becomes imperative that the comprehensive measures for restoration and rehabilitation of a mining site are taken up only upon closure of such mine. The responsibility for execution of such plan shall rest with the mineral concession holder operating such area at the time of its closure. Since the contribution to the fund is also made by each of the lessees or contractors who have operated in the area during the intervening period, the financial burden of restoration and rehabilitation measures shall not be borne by the last contractor or lessee alone.

- (3) A mineral concession holder operating the mine at the time of its final closure shall be responsible for execution of the restoration and rehabilitation works as per the final mine closure plan. He shall prepare and submit the estimates for implementation of the final restoration and rehabilitation plan to the Principal Director, for approval of the estimates.
- (4) The Principal Director, shall approve such estimates, with or without any modifications, and reimburse the expenditure actually incurred on the site by the implementation agency in a phased manner out of the Fund. The amount so re-imbursed shall not exceed the total amount received from the mineral concession holders in respect-of that site less the expenditure already incurred earlier.
- (5) The Principal Director may require the mineral concession holder to engage an independent agency for implementation of the restoration and rehabilitation works and evolve a system of monitoring the deliverables through an independent agency.

Sanction of expenditure from the Fund

47. (1) Any or all proposals for expenditure from or out of the Fund shall be approved by a committee of officers headed by the Secretary of the Department consisting of representatives from Departments of Mines and Geology Department, Forest and Environment Department, Health, Education, Rural Development and Social Welfare.
- (2) The mode and method of collection, remittance and utilization of these 'other charges' shall be notified separately by the Government.

Chapter -VIII

Illegal or un- authorised Mining and Consequences

Illegal or Unauthorised Mining

48. Any person undertaking any mining operations without a valid mineral concession granted under the Act and these rules in any area shall be deemed to be indulging in illegal or authorised mining and shall be dealt in accordance with the provisions contained in this chapter.

Consequences of illegal of unauthorised mining

49. Any act of illegal or un-authorised mining shall be liable to the following:-
- (i) for a first time violation, the said minerals shall be liable to be seized along with the impounding of all such tools, equipment, vehicles or any other things used for such un-authorised operations, which may be released only upon realisation of the payment of price of the mineral and the applicable royalty for the mineral extracted and, in addition, a fine which shall not be less than twenty thousand rupees.
 - (ii) for a second time violation, the said mineral shall be liable to be seized along with the impounding of all such tools, equipment, vehicles or any other things used for such un-authorised operation for a minimum period of the seven days which may be realised only upon realisation of the payment of price of the mineral and the applicable royalty for the mineral extracted and, in addition, a fine which shall not be less than thirty thousand rupees;
 - (iii) Wherever a person is found to be indulging in such offence for the third time or more, the officer concerned shall register an FIR and handover all such tools, equipment vehicles or any other things used for such unauthorised operation to the Police. Any such offence shall entail (a) confiscation of all such tools equipment, vehicles or any other thing used for such unauthorised operations for a period of minimum thirty days or more, and (b) pecuniary penalty and punishment for the offence as provided under section 21 of the Mines and Minerals (Development and Regulation) Act, 1957.

Offences by Companies

- 50 (1) If the person committing an offence under these rules is a company registered under the companies Act, every person, which at the time when the offence was committed, was in-charge and was responsible to the company for the conduct of the business of the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub rule shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

- (2) Where an offence under these rules has been committed with the consent or connivance of the company, such director, manager, secretary or other authorised representative shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Chapter – IX**Regulation and control of mining operations****Mining to be undertaken in a scientific and systematic manner**

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

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

- 52 (1) A mineral concession holder shall be held to be in 'default' of compliance of the conditions of grant of mineral concession in cases where the non-compliance is rectifiable suo moto or upon a notice within the period indicated in such notice. Some of the instances of major violations on the part of the mineral concession holder may be in the following areas:—
- (i) Undertaking mining operations in an unsafe and unscientific manner i.e. without bench formation, non-erection or maintenance of boundary pillars, lack of labour safety measures, and the regulations pertaining to the use of explosives;
 - (ii) Non-installation of the electronic weigh bridges or, the weigh bridges, if installed, are found to be not calibrated properly to ensure correct weighment;
 - (iii) Non-adherence to the rules with regard to the limits prescribed for stocking of minerals and failure to furnish the prescribed returns in this behalf;

- (iv) Dispatch of mineral from the concession area without a valid mineral transit pass;
- (v) Non-submission of the prescribed reports and returns as per the time frame prescribed.

- (2) Wherever non-compliance of terms and conditions of the mineral concession or violation thereof is observed, it shall cause a notice to be served upon the mineral concession holder to rectify the default and take corrective measures within such period as may be specified in such notice.

Breach of terms and conditions and the consequences

- 53 (1) Any failure on the part of the mineral concession holder to rectify any default or take corrective measures under rule 52 above within the period specified, or such violation being irreversible and non-rectifiable, or recurrence of defaults takes place, the same shall amount to a 'breach' of the terms and conditions of grant of the mineral concession.
- (2) Wherever a mineral concession holder is observed to be in 'breach' of the conditions of grant, the competent authority shall be competent to take any or all of the following actions:—
 - (i) Suspension of the mining operations and dispatch of mineral from the concession area, withholding the inventory of stocks, duly assessed at the time of suspension of operation, till such time the suspension order is revoked. The period of suspension may continue up to a period of three months or till such time the breach condition is rectified, whichever is earlier;
 - (ii) Temporary seizure of the stocks of the mineral excavated in raw or processed form till such time the stocks are reconciled with the records and established to have been accepted from legal sources;
 - (iii) Termination of the concession with forfeiture of the security in whole or in part and also forfeiture of the mineral lying in the area and its disposal by the competent authority; and
 - (iv) Debarring the defaulting individuals, firms or companies for grant of a fresh mineral concession in the State for a period of up to 5 years.

Procedure for dealing with 'Breach' conditions and the penalties

- 54. A breach of any of the conditions of grant of a mineral concession or violation of any of the conditions relating to permission or clearance to undertake mining by any authority shall be dealt as under:—
 - (i) The competent authority shall, upon inspection by himself or any officer authorized in this behalf or on reporting of any violation amounting to breach by any other authority, issue a notice to the mineral concession holder to show cause within the period specified therein as to why the mineral concession be not prematurely terminated along with forfeiture of the amount of

security, in full or part thereof, and forfeiture of the mineral already excavated while undertaking said operations;

- (ii) On receipt and examination of the reply of the mineral concession holder, the competent authority may, on his satisfaction that the breach was either not entirely due to fault on the part of the concession holder or was beyond his control may-
 - (a) where the mineral concession holder admits to the breach having been committed on his part and promises to remedy the breach conditions in his reply and requests for grant of time, and the competent authority is satisfied with such promise, he may grant time as deemed proper for implementation of the remedial measures with or without a surety;
 - (b) in case the competent authority prima facie forms an opinion on examination of the reply of the mineral concession holder that the breach is of a recurring or continuing nature, he may order suspension of the mining operations with immediate effect along with a ban on dispatch of the mineral from the site or any other related activity in the mine;
 - (c) in case the competent authority is not satisfied with the reply submitted by the mineral concession holder, the competent authority may terminate the mineral concession with or without forfeiture of the security amount in whole or part thereof along with forfeiture of the mineral already excavated while undertaking said operations.

Chapter -X

Delegation, Review and Appeals

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| Delegation | 55. The State Government may by notification delegate any power under these rules, save in the cases of appeals and subject to such restriction as it may deem appropriate, to the competent authority or to any of his subordinate officer (s) specified in the notification. |
| Review | 56. The Principal Director/ Principal Chief Conservator of Forest, Sikkim may, either on an application from an aggrieved party or on his own motion, review the orders passed by him under these rules in any matter. |
| Appeals | 57. (1) Unless otherwise provided, an appeal against an orders passed by any Sub- Ordinate Officer shall lie with the Principal Director or Principal Chief Conservator of Forests, Sikkim as the case may be.

(2) An Appeal against the order passed by the Principal Director or Principal Chief Conservator of Forest, Sikkim shall lie before the Government, Mines and Geology Department in respect of minerals under Schedule – ‘X’ and the Forest and Environment department in respect of minerals under Schedule –‘Y’. |

- (3) No order under these rules shall be passed by the competent authority against any person unless he has been issued a show cause and given a reasonable opportunity to make a representation.

Time allowed for appeals or re-view

58. (1) Any application for review under rule 56 and an appeal under rule 57(1) can be preferred within a period of sixty days of the passing of the impugned order. A delay up to thirty days beyond the permissible appeal period may be condoned by the Principal Director/ principal Chief Conservator of Forest, if found justified.
- (2) A second appeal against the orders of the Principal Director/ Principal Chief Conservator of Forest, under rule 57 (2) can be filed within a period of 45 days of the passing of the impugned order. A delay for up to thirty days beyond the permissible period may be condoned by the Government, if found justified.

Fee for review or appeal

59. (1) Every application for review or appeal shall be accompanied with the fee as prescribed in the second schedule appended to these rules.
- (2) No application for review or appeal shall be entertained in matters where the applicant is in default of any Government dues, on whatsoever account, unless he deposits at least twenty five percent enclosed with the application or memorandum of appeal.

Chapter -XI

Miscellaneous

Power to rectify inadvertent mistakes

60. (1) The competent authority may at any time, within six months, from the date of the order passed under these rules, on its own motion rectify any mistake or error apparent on the face of the record, and may within the like period rectify any such mistake or error which has been brought to its notice by an applicant for the grant of the minor minerals (s) concession.
- (2) No such rectification under sub –rule (1) above, as has or purports to have a prejudicial effect on another applicant for grant of the mining applicant (s) notice of its intention so to do, and has allowed him or them a reasonable opportunity to make representation thereon.

Exemption

61. For the purpose of ecological and environment managerial management and improvement, the Forest and Environment Department is permitted to remove and re-locate minor mineral in the Forest land.

Recovery of Government dues	62.	Any rent, royalty, fee, contract money or other sum due to the Government or penalty imposed under these rules or under the terms and conditions of the mining lease or contract or permit and remaining unpaid, shall constitute a first charge on the assets of a minerals concession holder or that surety furnished under these rules shall be recoverable.
Unauthorized Working	63.	No person shall undertake any mining operations in any area, except under and in accordance with the terms and conditions of a mineral concession granted under these rules.
Offences cognizable only on written complaint.	64.	No court shall take cognizance of any offence punishable under these rules except upon a complaint in writing made by the competent authority within three months of the date on which said offence is alleged to have been committed.
Relaxation in special cases	65.	The Government may, for reasons to be recorded in writing, relax any provision of these rules in cases where any mineral concession is granted to any Government Department or to a statutory authority set up by the State or Central Government, or a company or a corporation wholly owned or controlled by the State or Central Government.
Commencement of the grant of a mineral concession .	66.	A mineral concession granted under these rules, in whatever form, shall commence from the date of execution of the agreement or from such date as specified therein.
District mineral foundation	67.	<p>(1). In any district affected by mining related operations, the State Government shall, by notification, establish a trust as a non profit body, to be called the District Mineral Foundation Trust.</p> <p>(2). The object of the District Mineral Foundation Trust shall be to work for the interest and benefit of persons and areas affected by mining related operations in such a manner as may be prescribed by the State Government.</p> <p>(3). The composition and functions of the District Mineral Foundation Trust shall be such as prescribed by the State Government.</p> <p>(4). The holder of a mining lease shall, in addition to royalty, pay to the District Mineral Foundation of the district in which the mining operations are carried on, amount equal to twenty percentum of the royalty paid in terms of Second Schedule or such amount as may be prescribed by the State Government from time to time.</p>

**Repeal and
saving**

- 68.** (1) The Sikkim Minor Mineral Concession Rule, 2016 and any other rules or executive instructions on the subject in force within the State of Sikkim including the rules for quarrying or the collection of minor minerals from forest and non-forest areas contained in any Forest rules of Sikkim immediately before the commencement of these rules are hereby repealed.
- (2) Notwithstanding such repeal, any action taken under those rules or instructions so repealed shall be deemed to have been taken under the corresponding provision of these rules.

**Dicky Yangzom, IAS
Secretary
Mines and Geology Department**

**FIRST SCHEDULE
LIST OF MINOR MINERALS**

(See rule 5, and rule 6)

1. BUILDING STONE INCLUDING GRANITE

When mined for the purpose of polished tiles, slabs and other decorative and architectural purposes.

OR

When mined in large scale for export of the stone in the form cubes, slabs, gravel and for construction of dams, etc.

2. ORDINARY CLAY

3. ORDINARY SAND OTHER THAN SAND USED FOR PRESCRIBED PURPOSES.

Sand not be treated as minor minerals when used for certain purposes. Sand shall not be treated as minor mineral when used for any of the following purposes:-

- (i) Purposes of refractory and manufacture of ceramic;
- (ii) Metallurgical purposes;
- (iii) Optical purposes;
- (iv) Purposes of stowing in mines;
- (v) For manufacture of silvicrete cement;
- (vi) For manufacture of sodium silicate;
- (vii) For manufacture of pottery and glass;

4. Gravel

5. Boulder

6. SHINGLE

7. CHALCEDONY OR IMPURE QUARTZ, PEBBLES used for ball mill purposes or filling for bore wells or for decorative purposes in buildings.

8. LIMESTONE (KANKAR) When used in kilns for manufacture of limes used as building materials.

9. LIMESTONE (MURRAM)

10. BRICK- EARTH

11. FULLER'S EARTH

12. **BENTONITE**

13. **SLATE**

14. **SHALE**

15. **MARBLE**

16. **QUARTZITE AND SANDSTONE** When used for purposes of building or for road metal and household utensils.

17. **SALTPETRE**

SCHEDULE 'X'

LIST OF MINOR MINERALS

(See rule 5 (1))

1. BUILDING STONE INCLUDING GRANITE

When mined for the purpose of polished tiles, slabs and other decorative and architectural purposes.

OR

When mined in large scale for export of the stone in the form cubes, slabs, gravel and for construction of dams, etc.

2. ORDINARY CLAY

3. CHALCEDONY OR IMPURE QUARTZ, PEBBLES used for ball mill purposes or filling for bore wells or for decorative purposes in buildings.

4. LIMESTONE (KANKAR) When used in kilns for manufacture of limes used as building materials.

5. LIMESTONE (MURRAM)

6. BRICK- EARTH

7. FULLER'S EARTH

8. BENTONITE

9. SHALE

10. MARBLE

11. QUARTZITE AND SANDSTONE When used for purposes of building or for road metal and household utensils.

12. SALTPETRE

SCHEDULE 'Y'

LIST OF MINOR MINERALS

(See rule 5 (2))

- 1 **Ordinary sand** : Other than sand used for prescribed purposes.
2. **Gravel/Stone chips**
3. **Shingle/Bajri**
4. **Boulders/Stones**
5. **Slate**

SECOND SCHEDULE

Rates of Royalty

(See rule 7(4))

Sl.No.	Name of Minor Mineral	Rates of royalty
1.	Building stone including granite/ squared stone	Rs. 620.00 per 100 CFT
2.	Gravel	Rs. 400.00 per 100 CFT
3.	Ordinary clay	Rs. 23.00 per 100 CFT
4.	Ordinary sand other than used for prescribed purposes	Rs. 300.00 per 100 CFT
5.	Boulder / stones	Rs. 300.00 per 100 CFT
6.	Shingle	Rs. 400.00 per 100CFT
7.	Chalcedony or impure quartz pebbles	Rs. 169 per 100 CFT
8.	Limestone (kankar)	Rs. 184.00 per 100CFT
9.	Limestone (murrum)	Rs. 184.00 per 100CFT
10.	Brick earth	Rs. 23.00 per 100 CFT
11.	Fullers earth	Rs. 42.00 per 100CFT
12.	Bentonite	Rs. 57.00 per 100CFT
13.	Slate	Rs. 1000.00 per 100 CFT
14.	Shale	Rs. 23.00 per 100 CFT
15.	Marble	Rs. 200.00 per 100 CFT
16.	Quartzite and sandstone	Rs. 200.00 per 100CFT
17.	Salt petre	Rs. 23.00 per 100CFT

THIRD SCHEDULE

Fee for review and appeal

(See rule 59(1))

An appeal before Controlling Officer against the orders of Subsequent Officer	Rs. 2,000/-
An application before the Principal Director, Mines and Geology Department, Govt. of Sikkim /Principal Chief Conservator of Forests and Environment Department, Government of Sikkim for review of orders passed by him	Rs. 2,000/-
An appeal before the government against the orders of Principal Director, Mines and Geology Department, Govt. of Sikkim /Principal Chief Conservator of Forests and Environment Department, Government of Sikkim	Rs. 3,000/-

FORM ML- 1
[see rule 7(3) and 8(1)]

Model form for execution of Mining Lease Deed

This indenture made on this day of, 202 between the Governor of Sikkim acting through(hereinafter referred to as the “State Government”) which expression shall where the context so admits, include the successors and assigns) of the one part; and

Where the lessee is an individual :-

..... (Name and address of the person) (hereinafter referred to as the “Lessee” which expression shall where the context so admits, includes his heirs, executors, administrator, representatives and permitted assigns)

Where the lessee is more than one individual :-

.....(Name and address of persons) (hereinafter referred to as the “Lessee” which expression shall where the context so admits include their respective heirs, executors, administrators, representatives and permitted assigns)

Where the lessee is registered firm :-

.....(Name and address of all the partners or members, where the lessee is a firm or society) all carrying on business in partnership under the firm name and style of (name of the firm and address) registered under Indian Partnership Act, 1932 and having their registered office at (hereinafter referred to as the “Lessee” which expression shall where the context so admits include all partner of the said firm, their representatives, heirs, executors, administrators and permitted assigns).

Where the lessee is a registered company :-

.....(Name of the company) a company registered under.....(Act under which company incorporated) and having its registered office at.....(address) (hereinafter referred to as the “Lessee” which expression shall where the context so admits, include its successors and permitted assigns) of the other part.

(Where lease is granted through competitive bid process under rule 7 or renewed under rule 9)

Whereas the lessee has offered the highest bid of Rs.(in words Rupees)..... in the bid/auction held onfor obtaining a mining lease for.....(name of minor minerals) in respect of the lands hereinafter described in clause 2 and such bid had been accepted by the officer authorized in this behalf and the lessee has deposited with the Government, a sum of Rs..... (Rupees)..... as initial bid

security (10% of the annual bid amount) and Shri;..... S/o Shri,..... resident of District (referred to as the 'surety' which expression shall where the context so admits, include his heirs, executors, administrators, representatives) has been offered as solvent surety for the aforesaid amount, and whereas the lessee is in possession of a Income Tax Clearance Certificate, if applicable.

Now, therefore, this deed witnesses and the parties hereby agree as follows :

Liberties and privileges to be exercised and enjoyed by the Lessee(s) :

The following liberties, powers and privileges may be exercised and enjoyed by the lessee subject to the other provisions.

1. In consideration of the rents and royalties, covenants and agreements hereinafter contained and on the part of the Lessee to be paid, observed and performs, the Government hereby grants and demises unto the lessee all those mines/beds/veins/seams of.(hereinafter referred to as the said minor minerals), situated, lying and being in or under the lands which are referred to in clause (2) together with the liberties, powers and privileges to be executed or enjoyed in connection herewith which are hereinafter mentioned in Part-I subject to the restrictions and conditions as to exercise and enjoyment of such liberties, powers and privileges which are hereinafter mentioned in Part-II and subject to other provisions of this lease.

2. The area of the said lands is as follows :

All the tract of land situated at villagein Revenue Block , Sub-Division.....District bearing.....Plot No. containing an area ofor thereabouts delineated on the plan hereto annexed and boundary as follows :

On the North by;

On the South by.....;

On the East by.....;

On the West by.....;

And (hereinafter referred to as the 'said land" or the 'leased area').

3. The lessee shall hold the premises hereby granted from thedayfor the term ofyears thence next ensuing.

Part-I

Liberties and privileges to be exercised and enjoyed by the Lessee(s)

The following liberties and privileges may be exercised and enjoyed by the lessee subject to the other provisions :

1. To enter upon land and search for win, work, etc. :

Liberty at all times during the term hereby demised to enter upon the said lands and to search for mineral, bore, dig, drill for win, work, dress, process, convert, carry away and dispose of the said minor mineral(s).

2. To sink, drive and make pit, shafts and inclines, etc. :

Liberty for or in connection with any of the purposes mentioned in this clause to sink, drive, make, maintain and use in the said land and pits, shafts, inclines, drifts, levels, waterways, airways and other works and to use, maintain, deepen or extend any existing works of the like nature in the said lands.

3. To bring and use machinery, equipment :

Liberty for or in connection with any of the purposes mentioned in this clause to erect, construct, maintain and use on or under the said lands any engine, machinery, plan, dressing floors, furnaces, coke, ovens, brick kilns, workshop, store houses, bungalows, godowns, shed and other buildings and other works and convenience of the like nature on or under the said lands.

4. To use water from streams, etc.:

Liberty for or in connection with any of the purposes mentioned: in this clause but subject to the rights of any existing or future lessees and with the written permission of the District Collector concerned to appropriate and use water from any streams, water course, springs, or other source in or upon the said lands and to divert, step up or dam any such stream or water course, cultivated land, village buildings or watering places for livestock of a reasonable supply of water as before accustomed nor in any way to foul or pollute any streams or springs :

Provided that the lessee shall not interfere with navigation in any navigable stream nor shall divert such stream without the previous written permission of the Government.

5. To fell undergrowth and utilize timber and trees, etc.:

Liberty for or in connection with any of the purposes mentioned in this lease deed, to clear undergrowth and brush wood. Lessee shall not fell any trees or timber standing or found on the said lands without obtaining prior permission in writing from the Forest Department. In case such permission is granted, he shall pay in advance, the price of the trees/timber to be felled to the said officer at the rates, fixed by him.

6. To get building and roads material, etc. :

Liberty for or in connection with any of the purposes, mentioned in this lease deed, to quarry and get stones, gravel and other building and road materials and ordinary clay and to use and employ the same and to manufacture such clay into bricks or tiles and to use such bricks, tiles but not to sell any such materials, bricks, tiles.

7. To use land for stacking purpose :

Liberty to enter upon and use a sufficient part of the surface of the said lands for the purpose of stocking, storing or depositing therein any produce of the mines including overburden or waste material and works carried on ad tools, equipment and other materials needed for mining operations.

8. To install fuel pumps or stations for diesel or petrol for self use :

Liberty to use a sufficient part of the land for installing fuel pumps or stations for diesel or petrol for self use or consumption required for mining operations in the lease area, subject to permission of the authority.

9. To construct magazine for explosive and storage sheds :

Liberty to construct magazine for storage of explosive and storage sheds for explosive related substances with permission from licensing authority.

10. Liberty to seek permission for diversion of public roads, overhead electric lines :

Liberty and power to request to the competent authority for diversion of public road, overhead electric lines passing through the concession area at the expenses of the lessee to ensure scientific and systematic mining.

Part - II

Restrictions as to the exercise of the liberties by the lessee

The liberties and privileges granted under Part — I are subject to the following restrictions and subject to other provisions of this lease :

1. No mining operations within the limit of public works, etc. :

The lessee shall not carry on, or allow to be carried on any mining operations :- within a distance of 75 (seventy five) metres from any railway line if any, except under and in accordance with the written permission of the railway administration concerned, 50 (fifty) metres from any reservoirs, canals or other public works, or buildings, 75 (seventy five) metres from bridges on highways except under and in accordance with the previous permission of the Competent Authority.

Explanation: For the purpose of this clause the expression Railway Administration shall have the same meaning as it is defined by sub-section (4) of section 3 of the Indian Railway Act, 1890.

Provided that where the continuance of any mining operations in any area, in the opinion of the Government is likely to endanger the safety of any National or State Highway, road, bridge, drainage, reservoir, tank, canal or other public works, or public or private buildings or in the public interest or in the interest of environment/ecology of the area, the Government may determine the lease after giving 60 days notice to the lessee in this behalf and the lease shall stand terminated on the date mentioned in this notice.

2. Special conditions for river bed mining :

In case of river bed mining/excavation of minor mineral(s), in order to ensure safety of river-beds, structures and the adjoining areas, the following special conditions shall be abide by the lessee :

- (a) No mining would be permissible in a river-bed up to a distance of five times of the span 'of a bridge on up-stream side and ten times the span of such bridge on down-stream side, subject to a minimum of 250 metres on the up-stream side and 500 metres on the down-stream side;
- (b) There shall be maintain an un-mined block of 50 metres width after every block of 1,000 metres over which mining is undertaken or at such distance as may be directed by the competent authority; ‘
- (c) The maximum depth of mining in the river bed shall not exceed three metres measured from the un-mined bed level at any point of time with proper bench formation.
- (d) Mining shall be restricted within the central 3/4" width of the river/rivulet;
- (c) No mining shall be permissible in an area up to a width specified by the competent authority from the active edges of embankments;
- (f) Any other condition(s) as may be required by the competent authority in public interest.

3. Notice for surface operation in land not already in use :

Before using for surface operations any land which has not already

been used for such operation, the lessee shall give notice in advance to the District Collector of the District, the competent authority and the officer-in-Charge..... in writing along with copy of permission to undertake mining specifying the situation and the extend of the land proposed to be so used and the purpose for which the same is required and the said land shall not be so used, if objection is issued by the District Collector.

4. Not to use the land for other purposes :

The lessee shall not cultivate or use the land for any other purpose other than those specified in the lease deed.

5. Disposal of mineral(s) only on issuance of Mineral Transit Pass:

The holder of mining lease shall not sell/dispose off any mineral or mineral products from the concession area without a Mineral Transit Pass.

6. Stacking of mineral(s) inside lease hold area :

The lessee shall not stock the mineral(s) excavated inside the lease hold area at the designated site more than twice the quantity of the average monthly production as per approved mining plan/scheme.

7. Stacking of minerals outside lease hold area :

The lessee shall not stock any minor mineral(s) granted under the lease, outside the lease hold area.

8. Restrictions of mining operations above Ground Water Table:

A safety margin of two metres shall be maintained above the ground water table while undertaking mining and no mining operations shall be permissible below this level unless a specific permission is obtained from the competent authority in this behalf.

9. Restrictions of surface operations :

No mining operations shall be undertaken in any area prohibited by any authority or by the orders of any Court.

10. No mining operations without requisite clearance :

The lessee shall not undertake any mining operations in the area granted on mining lease without obtaining requisite clearance from the competent authority as required for undertaking mining operations.

Part - III

Covenants of the Lessee

The lessee/ lessees hereby covenant(s) with the Government as follows:-

1. Rate of Royalty :

The lessee shall pay royalty on the quantity of the said minor mineral dispatched from the leased area at the rates as per Second Schedule of the Sikkim Minor Mineral Concession Rules, 2025 and as may be revised by the State Government from time to time.

2. Dead rent:

The lessee shall pay for every year dead rent at the rate as fixed by the Government from time to time;

Where the mining lease is granted by competitive bid/auction under rule 7:- The highest bid received in the open bid/auction at the rate of..... per annum shall become the 'annual dead rent' amount payable by the lessee. The rate of annual dead rent initially determined on the basis of competitive bids/ auctions shall be increased @ 25% on completion of each block of two years.

Provided further that if the lease permits the working of more than one minor mineral in the same area, the Government may charge separate dead rent in respect of each minor mineral :

Provided that the mining of one minor mineral does not involve the working of another minor mineral :

Provided further that the lessee/lessees shall be liable to pay the dead rent or royalty in respect of each mineral, whichever be higher but not both:

Provided further that lessee/ lessees shall deposit the dead rent at the rates as revised and notified from time to time by the State Government.

3. Security deposit:

25% of the annual bid amount/ rate of dead rent. The security amount to be deposited as per following :-

- (a) 10% as initial bid security at the time of auction
- (b) 15% of the annual bid amount before commencement of mining operations or before the expiry of period allowed, which shall not be more than 12 months, whichever is earlier:

Provided on enhancement of the dead rent after expiry of every two year period of lease the lessee shall deposit the balance amount of security so as to upscale the security amount equal to 25% of the revised annual dead rent as applicable for one year with respect to next block of two years

4. Mode of payment of dead rent/ royalty:

- (a) In case of mining lease granted under rule 7, the lessee shall deposit one advance instalment of dead rent before commencement of mining operations or before the expiry of period allowed, which shall not be more than 12 months, whichever is earlier, along with 15% of the balance security amount as per clause 4(a) above.
- (b) The lessee during the subsistence of the lease, pay in advance to the Government the instalments of the dead rent in respect of the said land given to him/ them on mining lease in four quarterly instalments on the 1st of April, 1st of June, 1st of September and 1st of December of the year.

Note: The amount of one advance instalment deposited at the time of commencement of the mining operations or within time allowed for the same shall be adjusted in a manner that the subsequent instalments are payable for a full calendar month/ quarter/year, as the case may be.

- (c) The lessee shall be liable to pay the amount of royalty on the mineral excavated and dispatched at the rate specified in the second schedule or dead rent, whichever is more and not both.
- (d) Where the amount of royalty payable in respect of a month exceeds the amount of dead rent deposited in advance, the lessee shall deposit such amount of royalty on the mineral extracted and dispatched or consumed by the 7th day of the following month after adjusting the amount of advance dead rent already deposited.
- (e) In cases where the lessee has paid the amount of royalty or dead rent during a part of the year, which is equal to or more than the annual dead rent payable for

the year, he shall not be required to deposit the advance dead rent for the remaining period of the said year and the royalty for the balance part of the year shall be deposited by the 7th day of the following month.

5. Interest on delayed payments:

In case of any default in payment of the instalments of dead rent/contract money/contribution to surety on the due date(s), the amount would be payable along with interest at the following rates :

Sr. No.	Period of delay	Rate of Interest applicable
(i)	If paid within a period of 7 days from	A grace period of up to 7 days is allowed the due date without any interest;
(ii)	If paid after 7 days but up to 30 days of the due date	15% on the amount of default for the period of default including the grace period;
(iii)	If paid after 30 days but within 60 days of the due date	18% on the amount of default for the period of default including the grace period;
(iv)	Delay beyond 60 days of the due date	It would amount to a "breach", invite action for termination of the lease/ contract and the entire outstanding amount would be recoverable along with interest calculated @ 21% for the entire period of default.

6. Working of newly discovered minerals:

If any minor mineral, not specified in the lease, is discovered in the leased area, the lessee shall report the discovery without delay to the competent authority and shall not win or dispose of such minor mineral without obtaining a lease therefore. If he fails to apply for such a lease within six months from the discovery of the minor mineral, the competent authority may give the lease in respect of such mineral, to any other person:

Provided that the grant of such permit may be refused for reasons to be recorded in writing.

7. To commence mining operations within 180 days and carry them on properly:

Unless the competent authority for sufficient cause allows otherwise, the lessee shall commence mining operations 180 days from the date of execution of the lease and shall thereafter conduct such operations in a proper, skilful and workman like manner.

Explanation:- For the purpose of this clause, mining operations shall include the erection of machinery laying of a tramway or construction of a road in connection with the working of the mine.

8. To erect and maintain boundary pillars etc. :

The lessee shall at his own expenses, erect and at all times maintain and keep in good repairs boundary marks and pillars according to the plan annexed to the lease. Each of the pillars should be numbered and every pillar shall have GPS reading.

9. Accounts :

The lessee shall keep correct accounts showing the quantity and other particulars of all minerals obtained from the mines and the number of persons employed therein and a complete plan of the mine and shall allow any officer authorised by 'the Sikkim Government or the Central Government in that behalf to examine at any time any accounts and records maintained by him, and shall furnish to the Sikkim Government or competent authority or the Central Government or the competent authority with such information and returns as it may require.

10. To allow facilities to other lessees etc. :

In addition to the concession holders under Rule - 6 of the Sikkim Minor Mineral Concession Rules, 2025, the lessee shall allow existing and future licensees or lease holders/contractors of any land which is comprised in or adjoins or is reached by the land, held by the lessee, reasonable facilities for access thereto.

11. To allow entry to officers :

The lessee shall allow any officer authorised by the Sikkim Government and the Central Government or competent authority to enter upon any building, excavation or land comprised in the lease for the purpose of inspecting the mines.

12. Returns :

The lessee shall :-

- (a) submit a quarterly return in form "MMPI" by the 15th April, 15th July, 15th October, 15th January for the preceding quarters ending 31st March, 30th September and 31st December to the competent authority or his authorized officer;
- (b) also furnish a statement giving information in Form 'MMP2' by the 15th April every year to the competent authority and to other Officers), specified regarding quantity and value of minor mineral(i) obtained during last financial year, average number of regular labourers employed (men and women separately) number of accidents, compensation paid and number of days worked separately.

13. To strengthen and support the mines :

The lessee shall strengthen and support to the satisfaction of the Railway Administration or the State Government, as the case may be any part of the mine which in its opinion requires such, strengthening or support for the safety of any railway, bridge, national highway, reservoirs, canal, road or any other public work or building.

14. Notice for use of explosives, etc. :

The lessee shall immediately give notice in writing in Form MSE1 to the following:

1. The Controller General, Indian Bureau of Mines, Government of India, Nagpur;
2. The Director General of Mines Safety, Government of India, Dhanbad;
3. The Director, Mines Safety, Government of India, Guwahati;
4. The Regional Controller of Mines, Indian Bureau of Mines, Kolkata;
5. The competent authority;
6. The District Collector of the District concerned; and
7. The Officer-in-charge as soon as :
 - (a) The working in the mines extend below superjacent ground; or
 - (b) The depth of any open cast excavation measured from its highest to the lowest point reaches six metres; or
 - (c) The number of persons employed on any day is more than 50; or
 - (d) Any explosives are used.

15. Maintenance of Sanitary conditions :

The Lessee shall maintain sanitary conditions in the area held by him under the lease.

16. To pay compensation for damage and indemnify the Government :

The lessee shall make and pay such reasonable satisfaction and compensation for all damage, injury or disturbance which may be done by him in exercise of the powers granted by the lease and shall indemnify the Government against all claims which may be made by third parties in respect of such damage, injury or disturbance.

17. Application of all Acts, Rules and Regulations to this lease:

The lessee shall abide by the provisions of all the Acts and rules framed there under and also the provisions of other labour laws both Central and State as are applicable to the workmen engaged in the mines and quarries relating to the provisions of drinking water, rest shelters, dwelling houses, latrines and first-aid and medical facilities in particular and other safety and welfare provisions in general, to the satisfaction of the competent authorities under the aforesaid Acts, Rules and Regulations and also to the satisfaction of the District Magistrate concerned. In case of non compliance of any of the provisions of the enactments as aforesaid, competent authority may terminate the mining lease by giving one month's notice with forfeiture of security deposited :

Provided that the lessee shall carry out mining operations in accordance with all other provisions as applicable for undertaking mining including the provisions of Forest (Conservation) Act, 1980 and Environment (Protection) Act, 1986 and the rules made thereunder.

18. To report accident :

The lessee shall without delay report to the District Collector of the district concerned and the competent authority or any other officer authorised by him, any accident which may occur at or in the leased area.

19. Delivery of possession of land and mines on the surrender or sooner determination of the lease :

At the end or sooner determination or surrender of the lease the Lessee shall deliver up the said lands and all mines (if any dug there) in a proper and workable state, save in respect of any working as to which the Government might have sanctioned abandonment.

20. To provide electronic weighing machine :

The lessee shall provide and at all times keep at or near the pit-head at which the said mineral shall be brought to bank a properly constructed and efficient electronic weighing machine and shall weigh or caused to be weighed thereon all the said minor minerals from time to time brought to bank, sold, exported and converted products, and shall at the close of each day cause the total weights, ascertained by such means of the said minor minerals, ores, products, raised, sold, exported and converted during the previous twenty four hours to be entered in the aforesaid books of accounts. The lessee shall permit the Government at all times during the said term to employ any persons to be present at the weighing of the said minor minerals, as aforesaid and to keep accounts thereof and to check the accounts kept by the lessee. The lessee shall give 15 days previous notice in writing to the Officer-in-Charge..... of every such measuring or weighing in order that he or some officer on his behalf may be present thereat.

21. To secure pits shafts not fill them up :

The lessee shall well and properly secure pits and shafts and will not without permission in writing, wilfully close, fill up or close any mine or shaft

22. Not to enter upon or to commence operations in the Forest land :

The lessee shall not enter upon or commence any mining operations in any forest land comprised in the leased area except after obtaining permission in writing of the Forest and Environment Department, Government of Sikkim.

23. To respect water rights and not injure adjoining property:

The lessee shall not injure or cause to deteriorate any source of water, power or water-supply and shall not in any other way render any spring or stream or water unfit to be used or to do anything to injure adjoining land, villages or houses.

24. Stocks lying at the end of the lease :

- (a) The lessee on expiry of the lease period (successful completion of the lease) shall remove already extracted all of the mineral from the premises of the quarry within a period of seven days. In case any quantity of the already extracted mineral, in the

said land is left undisposed off and is not removed within seven days from the date of expiry of the period of lease the same shall be deemed to be the property of the Government who may dispose it off in any manner it may like without paying anything thereof to the lessee.

- (b) The lessee on the termination or sooner determination of the lease shall not remove extracted mineral from the premises of the leased areas. All extracted minerals in the said lands left over un-disposed after the termination or determination of lease shall be deemed to be property of the Government and competent authority, may dispose it off in any manner it may like without paying anything thereof to the lessee.

25. Payment of taxes :

The lessee shall duly and regularly pay to the appropriate authority all taxes, cesses and local dues in respect of the leased area, said minor minerals or the working of the mines.

26. Payment of additional amount for reclamation/ restoration :

The lessee shall also deposit/pay additional amount equal to 10% of the amount of royalty/dead rent along with the payment of royalty or dead rent, whichever is more, by the 7th of every month, to ensure the compliance of the Reclamation and Restoration works. This additional amount shall be refunded after satisfactory Reclamation/ Restoration of the area after mining in accordance with the Mine Closure Plan :

Provided that in case the lessee fails to reclaim/ restore the area as per mining plan to the satisfaction of the State Government, the amount deposited shall be forfeited and used for the restoration of the area.

Provided further that in case no rehabilitation position of the mine comes during the tenure of the mining lease, the amount so deposited shall be kept by the State Government in the mining area development fund for future use as and when the mine reaches to a stage requiring restoration; and rehabilitation.

27. Assign sublet or transfer of the lease :

The lessee shall not assign, sublet or transfer the lease to any person without obtaining prior permission in writing from the competent authority.

28. Fencing of working place :

If a working place is found to be unsafe all persons shall be withdrawn by the lessee immediately from the dangerous area and all access to such working place except for the purpose of removing the danger or saving life shall be prevented by securely fencing the full width of all entrances to the place, at his own cost.

29. Fencing of excavation after termination or sooner determination of the lease :

The lessee on termination or sooner determination of the lease, shall at his own cost, suitably fence the excavations for safety as competent authority.

30. Felling of trees:

The lessee shall not fell or cut any tree, standing on the land wherein the quarry is located without obtaining prior permission in writing from the Forest Department, Government of Sikkim and paying its price as fixed.

31. Security deposit shall carry no interest:

The security deposited by the lessee shall not carry any interest.

32. State Government not responsible for loss to lessee:

The Government shall not be responsible for any kind of loss to the lessee.

Part-IV

Rights of the State Government

1. Suspension or termination of the lease :

The competent authority shall have the right to suspend or prematurely terminate the lease.

- (a) If the dead rent or royalty or surface rent or any other amount due to the Government are not paid;
- (b) if any of the terms and conditions of the lease deed or conditions of grant or permission to undertake mining by any other statutory authority or competent authority is violated;
- (c) if any of the provisions of these rules and other laws both Central and State as are applicable to mines and minerals, are not complied with :

Provided that no orders of suspension or termination of the lease shall be passed by the competent authority without giving reasonable opportunity to show cause and following the procedure prescribed in the Sikkim Minor Mineral Concession Rules, 2025.

Provided further that the competent authority may also at any time after issuance of the notice for default on account of non payment of dues, enter upon the said premises and detain all or any of the mineral(s) or movable property therein and may carry away, detain or order the sale of the property so detained, or so much of it as will suffice for the satisfaction of the rent or royalty or both dues and all costs and expenses occasioned by the non-payment thereof and shall give proper receipt of the articles carried away.

2. Determination of lease in public interest :

The Government may by giving 'six months' prior notice in writing determine the lease if the Government consider that the minor mineral under the lease is required for establishing an Industry beneficial to the public :

Provided that in the State of National Emergency or War, the lease may be determined without giving such notice.

3. Right of pre-emption :

The government shall from time to time and at all times during the terms of lease have the right (to be exercised by notice in writing to the lessee) of pre-emption of the said mineral(s) and all products thereof lying in or upon the said lands hereby demised or elsewhere under the control of the lessee and the lessee shall deliver all minerals or products thereof to the Government at current market rates in such quantities and in the manner at the place specified in the notice exercising the said right.

4. Penalty for not allowing entry to officers:

If the lessee or his transferee or assignee does not allow any entry or inspection under clause (11) of part-III, the competent authority may cancel the lease and forfeit in whole or in part the security deposit paid by the lessee.

5. Suspension of mining operations :

The competent authority may order to suspend the mining operations after serving a notice to the lessee, in case, the following violations are noticed:-

- (a) unsafe and unscientific mining;
- (b) non operations of weighbridge;
- (c) non providing of safety appliances to the workers;
- (d) non submissions of quarterly returns;

In case of violations of the aforesaid conditions and also any other terms and conditions of the agreement deed and the provisions of the rules, the competent authority may give a notice to the lessee to remedy the violations within a period of 15 days from the date of issue of the notice. In case, the violations pointed out through notice, are not remedied within the stipulated period of 15 days, the competent authority may after affording an opportunity of being heard to the lessee, order the suspension of the mining operations till such time, the defaults/ defects are removed by the lessee within the time frame (within a maximum period of six months) granted by the competent authority. During the period of suspension of mining operations, the lessee will be allowed only to undertake rectification work for removal of the defects and shall not dispose of the mineral. During the suspension period, the lessee shall be under the obligation to deposit the amount of the dead rent on the due dates.

On satisfactory removal of to defects, the competent authority may revoke the suspension orders with or without any modification. Non removal of the defects/ defaults during the suspension period and within the time allowed by the competent authority, shall lead to premature termination of lease.

Part-V

General

1. Cancellation:

The lease shall be liable to be cancelled by the competent authority if the lessee cease to work the mine for a continued period of six months without obtaining written sanction.

2. Notices :

Every notice by these presents required to be given to the lessee shall be given in writing to such person resident on the said lands as the lessee may appoint for the purpose of receiving such notices and if there shall have been no such appointment then every such notice shall be sent to the lessee by registered post addressed to the lessee at the address recorded in this lease or at such other address in India as the lessee may from time to time in writing to the competent authority designate for the receipt of notices and every such service shall be deemed to be proper and valid service upon the lessee and shall not be questioned or challenged by him.

3. Recovery of government dues as arrears of land revenue:

Without prejudice to any other mode of recovery authorised by any provision of this lease or by any law, all amounts, falling due hereunder against the lessee may be recovered as arrears of land revenue under the law in force for such recovery.

4. Forfeiture of property left more than three months after expiry or determination of lease:

The lessee should remove his property lying on the said lands within three months after the expiry or sooner determination of the lease or after the date from which any surrender by the lessee of the said lands under relevant rules of the Sikkim Minor Mineral Concession Rules, 2025 becomes effective, as the case may be, the property left after the aforesaid period shall become the property of the Government and may be sold or disposed of in such manner as the competent authority shall deem fit without liability to pay any compensation therefore, to the lessee.

5. Security and forfeiture thereof :

- a. the competent authority may forfeit the whole or any part of the amount deposited as 'Security' under this lease, in case the lessee commits a breach(s) of any covenants to be performed by the lessee under this lease.
- b. Whenever the said security deposit or any part thereof or any further sum hereafter deposited with the competent authority in replenishment thereof is forfeited under sub clause (a) or applied by the competent authority under this lease (which the Government is hereby authorised to do) the lessee shall immediately deposit with the inappropriate part thereof to bring the amount in deposit with the Government up to the requisite amount of security at that point of time of lease.
- c. The rights conferred to the Government by clause (a) shall be without prejudice to the rights conferred on the State Government by any other provision of this lease or by any law.
- d. On such date as the competent authority may elect within twelve calendar months after the determination of this lease or any renewal thereof, the amount of security deposit paid in respect of this lease and then remaining in deposit with the Government and not required to be applied to any of the purposes mentioned in this lease shall be refunded to the lessee. No interest shall run on the security deposit.

6. Survey and demarcation of the area:

When a mining lease is granted arrangement shall be made, if necessary, at the expense of the lessee, for the survey and demarcation of the area granted under the lease. The lessee shall have to bear actual expenses of the staff deputed for the work. Actual expenses will include travelling allowances, daily allowances and salary of staff plus 10 percent as instrument charges.

7. Surrender of a mining lease by the lessee :

The Government may accept the request of a lease holder for surrender of a lease or part thereof in cases where it is established that it has not been found feasible to operate the lease grant for whatsoever reasons subject to the condition that the lessee :

- (i) has been regular in furnishing the production returns as required in terms of the lease agreement;
- (ii) has been taking the requisite steps for the progressive mine closure plan as per the conditions of the lease grant;
- (iv) is not in default of payment of any dues of the Government as on the date of making such application and undertakes to pay all such dues till the date of expiry of the notice period either in cash in advance or by way of adjustment of the security or both:

Provided that in case the lessee makes an application for surrender of part area of the lease, it shall not result in any prorated reduction of the dead rent and the rate of dead rent payable and applicable for the entire area at the time of such application shall remain intact.

8. Penalty for repeated breaches :

In case of repeated breaches of covenants and agreements by the lessee for which notice has been given by the competent authority in accordance with rule 48 and/ or sub rule(1) of rule 49 of the Sikkim Minor Mineral Concession Rules, 2025 on earlier occasions, the competent authority without giving any further notice, may impose such penalty not exceeding twice the amount of annual dead rent specified in clause 2 of part-III of this form.

9. Obtaining sales tax number :

The lessee shall get himself registered with the commercial Taxes Department of Sikkim State and shall obtain the GST Number.

10. Overriding effect :

Unless otherwise specifically provided, it is agreed that this deed shall be governed by the provisions of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957) and the rules made there under. The provisions of the Act and the rules shall prevail over the terms and conditions of the agreement.

IN WITNESS WHEREOF: - These presents have been executed in the manner hereunder appearing the day and year first above written.

Signature of the Lessee

For and on behalf of the Government of Sikkim.

Witness:-

1.....

1.....

2.....

2.....

Signature of surety

Witness

1.....

2.....

FORM ML-2

(See rule 10(3))

(Register of application for grant/renewal of Mining Lease)

1	Serial Number
2	Date of application for grant or renewal of mining lease
3	Date on which application was received by the Receiving Officer
4	Name of applicant with full address
5	Situation of the land applied for viz village and district with details
6	Estimated area of the land
7	Particulars of minerals which the applicant intends to mine
8	Amount of application fee paid
9	Final disposal of application together with number and date of the order
10	Remarks
11	Signatures of the Officer

FORM ML-3*(See rule 21)***(Mining Lease Register)**

1	Serial Number	
2	(a) Date of application	
	(b) Date of receipt of the application	
3	Name and address of the applicant	
4	Situation and boundaries of the land	
5	The mineral granted under mining lease	
6	The total area	
7	Number and date of grant of the lease	
8	Period for which granted	
9	Date of execution of the lease deed	
10	Number, date and period of renewal	
11	Amount of security deposited	
12	Particulars of disposal or refund of security deposit	
13	Date of assignment or transfer of the lease, if any and	
14	Date of expiry or relinquishment or cancellation	
15	Date from which the area is available for re-grant	
16	Signature of the Officer-In-charge	

FORM ML-4

(See rule 24)

(Model Form for transfer of Mining Lease)

The indenture made this..... day of20
between'..... (Name of the person with address and occupation)
(hereinafter referred to as the transferor which expression all where the context so admits be
deemed to include his heirs, executor: administrators, representatives and permitted assigns),or

Where the transferors are more than one
individuals.....(Name of the persons with address and
occupations) and(Name of the persons with address and
occupations (hereinafter referred to as the 'transferor" which expression shall where the context
so admits be deemed to include their heirs, executors, administrators, representatives and their
heirs, executors, administrators, representatives and their permitted assigns), or

Where the transferor is a registered firm.....(Name of the
persons with address of all the partners) all carrying on business in partnership under the firm
name and style of (name of the firm) registered under the
Indian Partnership Act, 1932 (9 of 1932) and having their registered office at
..... (Address) (hereinafter referred to as the 'transferor' which
expression shall where the context so admits shall be deemed to include all the said partners,
their respective heirs, executors, legal representatives and their permitted assigns). or

Where the transferor is a registered company..... (Name
of company) a company registered under the Companies Act 1956 and having its registered
office at (Address) (hereinafter referred to as the transferor'
which expression shall where the context so admits be deemed to include its successors and
permitted assigns) of the first part.

Where the transferee is an individual.....(Name
of the person with address and occupation) (hereinafter referred to as the"transferee' which
expression shall where the context so admits be deemed to include his heirs, executors,
administrators, representatives and permitted assigns). or

Where the transferees are more than one
individual.....(Name of the persons with address and occupations)
and.....(Name of the persons with address and occupations)
(hereinafter referred to as the 'transferee' which expression shall where the context so admits
be deemed to include their heirs, executors, administrators, representatives and their permitted
assigns). or

Where the transferee is a registered firm(Name of the persons
with address of all the partners) all carrying on business in partnership under the firm name
and style of(Name of the firm) registered under the Indian
Partnership Act, 1932 (9 of 1932) and having their registered office at (Address) (hereinafter
referred

to as the 'transferee' which expression shall where the context so admits shall be deemed to include all the said partners, their respective heirs, executors, legal representatives and their permitted assigns).

Where the transferee is a registered company(Name of company) a company registered under the Companies Act 1956 and having its registered office at(Address) (hereinafter referred to as the "transferee" which expression shall where the context so admits be deemed to include its successors and permitted assigns) of the second part.

Where the Governor of Sikkim (hereinafter referred to as the 'Government" which expression shall where the context so admits be deemed to include successors and assigns) of the third part.

Whereas by virtue of an indenture of lease dated the.....(dated) (hereinafter referred to as. lease) the original whereof is attached hereto and marked 'A' entered into between the Government (therein called the lessor) and the transferor (therein called the lessee/contractor) is entitled to search for, win and work the mines and minerals in respect of (Name of minerals) in the land described in Schedule thereto and also in Schedule annexed thereto for the term and subject to the payment of rents and royalties and observance and performance of the lessee's/contractor's covenant and conditions in the said deed of lease/contract reserved and contained including a covenant not to assign the lease/contract or any interest there under without the previous sanction of the Government.

Whereas the transferor is now desirous of transferring and assigning the lease/contract to the transferee and the Government has, at the request of the transferor, granted permission to the transferor vide order No.....dated..... to such a transfer and assignment of the lease/contract upon the conditions of the transferees entering into an agreement is and containing the terms and conditions hereinafter set forth.

Now this Deed Witnesseth as follows:

2. The transferee hereby covenants with the Government that from and after the transfer and assignment of the lease/contract, the transferee shall be bound by, and be liable to perform, observe and conform and be subject to all the provisions of all the covenants, stipulations and conditions contained in said herein before recited lease in the same manner in all respects as if the lease/contract had been granted to the transferee as the lease/ contractor there under and he had originally executed it such.
3. It is further hereby agreed and declared by the transferor of the one part and transferee of the other part that:-
 - (i) the transferor and transferee declare that they have ensured that the mineral rights over the area for which the mining lease/ contract is being transferred, vest in the Government;
 - (ii) the transferor hereby declares that he has not assigned subject, mortgaged or any other manner, transferred the mining lease/contract now being transferred and that no other person has any right, title or interest where under in the present mining lease/contract being transferred;

- (iii) the transferor further declares that he has not entered into or made any agreement, contract or understanding whereby he has been or is being directly or indirectly financed to a substantial extent by or under which the transferor's operation or understandings were or are being substantially controlled by any person or body of persons other than the transferor,
- (iv) the transferee hereby declares that he has accepted all the conditions and liabilities which the transferor was having in respect of such mining lease/contract;
- (v) the transferee further declares that he is financially capable of and will directly undertake mining operations;
- (vi) the transferee further declares that he has filed an affidavit stating that he has filed up to date income tax returns, paid the income tax assessed as provided in the Income Tax Act, 1961 (43 of 1961), if applicable.
- (vii) the transferor has supplied to the transferee the original or certified copies of all the plans of abandoned workings in the area and in a belt 65 metres width surrounding it;
- (viii) the transferee hereby further declares that as a consequence of this transfer, the total area held by him under mineral concession are not in contravention of the provisions of the Rules;
- (ix) the transferor, has paid all the rents, royalties, and other dues towards Government till the date, in respect of this lease.

In witness whereof the parties hereto have signed on the date and year first above written.

Signature of the transferor

For and on behalf of the Governor of Sikkim

Witness:-

1.....

1.....

2.....

2.....

Signature of Transferee Witness:-

1.....

2.....

FORM ML-5

(See rule 9(1))

(Application for renewal of Mining lease)

Received at (Place) at
(Hours) on the day of

From

.....
.....
.....

To

The
.....
.....

Dated the 20

I/ we hereby apply for renewal of a mining lease for (name of minor mineral(s) for a term of years over..... hectares of land in the area specified in the Schedule.

II. A sum of Rs..... on account of application fee payable under rule 9 of the Sikkim Minor Mineral Concession Rules, 2025, deposited in the Government Treasury and the receipted Challan therefore/ Demand Bank Draft No.....dated is enclosed.

III. The required particulars are given below:—

PARTICULARS

1.	Name of applicant individual/firm/company or society	
2.	Nationality of the individual or place of registration or incorporation of firm, company or society.	
3.	Profession or nature of business of individual or firm or company and place of business.	
4.	Address of the individual firm/company or society.	
5.	Name of Minor Mineral which the applicant intends to mine.	
6.	Period for which the original lease was granted.	

7.	<p>Manner in which the Minor Mineral(s) is to be utilized :</p> <p>(a) for manufacture</p> <p>(b) for sale</p> <p>(c) any other purpose</p> <p>In case of manufacture, the industries in connection with which it is required should be specified.</p>	
8.	<p>A description illustrated by a map or plan (in triplicate) showing as accurate as possible the situation, boundaries and area of land in respect of which the lease is required and where the area is un-surveyed the location of the area should be shown by some permanent physical features i.e. road, tanks etc.</p>	
9.	<p>A statement showing all the e areas within jurisdiction of the Government:-</p> <p>(i) already held by me/us in my/our name/names (and jointly with others) under quarrying leases specifying the names of minor minerals.</p> <p>(ii) already applied for but not yet granted, and</p> <p>(iii) applied for simultaneously or being applied for in the State.</p> <p>Note: No application will be held to be complete for the purpose of priority unless it furnishes the particular required by paragraphs i), ii) and iii) and is properly signed and stamped.</p>	
10.	Period for which renewal of mining lease is required	
11.	Whether renewal is applied for the whole or part of the lease held	
12.	<p>In case the renewal applied for is only for part of the lease held:-</p> <p>a. The area applied for renewal.</p> <p>b. Description of the area applied for renewal</p> <p>Map (in triplicate) of the lease held with area applied for renewal clearly marked on it (copy of map attached).</p>	
13.	Means by which the minor mineral is to be raised by hand, labour or mechanical or electric power	
14.	Year-wise quantity of the minerals) excavated along with royalty paid in each year since grant of lease (attached no due certificate of concerned Officer-In-charge	
15.	Mineral reserves available	
16.	Details of explorations undertaken, if any	
17.	Details of the mined out areas restored/ reclaimed/rehabilitated as per progressive mine closure plan	

18.	Details of the sites of overburden restored	
19.	Details of the compliance of:- (i) Environmental Clearance; (ii) Mining plan/ scheme of mining; (iii) Safety provisions as per the Mines Act, 1952 and the rules and regulations framed there under; and other relevant laws and terms and conditions applicable on Mines and Minerals	
20.	Details of defaults, if any, in submission of production returns, payment of royalty/dead rent and found wanting in taking adequate measures for labour safety.	
21.	Details of investment made in development of mine, plant and machinery with a. long term perspective and optimal benefit of the same could not have derived during the original period of lease	
22.	Any other particulars which the applicant wishes to furnish	
	Schedule giving description of the area applied for	
1.	Name of village, Sub-Division and District	
2.	In the case of forest land, the name of the range and Division	
3.	Plot Number and area of each field or part thereof	
3.1	Plot No.....	Area.....
3.2	Full description of the area applied for with regard to its natural features:-	
3.3	Felling series and working circle, if any	
3.4	District	

Place.....

(Signature of applicant)

Date.....

N.B – If the application is signed by an authorised agent of the applicant, power of attorney should be attached.

This is not necessary if whole village or a well defined portion thereof is applied for if the area lies in Government Forest. If all the numbers cannot be entered in this form they should be continued on separate sheet attached to it and signed. Where a portion of a Patta number only is required the approximate area of such portion will suffice.

FORM ML-6

(See rule 10)

(Acknowledgement of Application for renewal of Mining Lease)

No.

Dated:

Received the application with the following enclosures for a mining lease in respect of
minor mineral of Shri/Ms-.....
at..... AM/PM on for about..... hectares of land
village..... sub-division.....-district-
..... for mining of (Name of the minor mineral)

Signature and Designation of The Receiving officer

Place:

Dated:

Enclosures:

FORM MPS -1

(See rule 27(4))

Model Form for Execution of Permit Granted for Area Less Than Five Hectares

This indenture made on this _____ day of _____ 20____ between the Governor of Sikkim acting through _____ (hereinafter referred to as the "State Government", which expression shall, where the context so admits, include its successors and assigns) of the one part; and

Where the permit holder is an individual:

_____(Name and address of the person) (hereinafter referred to as the "permit holder", which expression shall, where the context so admits, include his heirs, executors, administrators, representatives and permitted assigns)

Where the permit holder is more than one individual:

_____(Name and address of persons) (hereinafter referred to as the "permit holder", which expression shall, where the context so admits, include their respective heirs, executors, administrators, representatives and permitted assigns)

Where the permit holder is a registered firm:

_____(Name and address of all the partners or members of the firm/society), all carrying on business in partnership under the firm name and style of _____ (firm name and address), registered under the Indian Partnership Act, 1932, and having their registered office at _____ (hereinafter referred to as the "permit holder", which expression shall, where the context so admits, include all partners of the said firm, their representatives, heirs, executors/administrators and permitted assigns)

When the permit holder is a registered company:

_____ (Name of the Company), a company registered under _____ (Act under which the company is incorporated), and having its registered office at _____ (address), (hereinafter referred to as the "permit holder", which expression shall, where the context so admits, include its successors and permitted assigns) of the other part.

Whereas the "permit holder" has offered the highest bid of Rs. ____ (in words: Rupees ____) in the bid/auction held on _____ for obtaining a mining contract for ____ cu.m. (in words: ____ cubic metres) of (names of minor minerals) in respect of the lands hereinafter described in Clause 2. Such bid has been accepted by the officer authorized in this behalf, and the permit holder has deposited with the Government a sum of Rs. ____ (Rupees ____) as initial bid security (10% of the annual bid amount) and Shri _____ S/o _____, resident of _____ district _____ (hereinafter referred to as the "surety", which expression shall, where the context so admits, include his heirs, executors, administrators, and representatives) has been offered as solvent surety for the aforesaid amount, and whereas the permit holder is in possession of an Income Tax Clearance Certificate, if applicable.

Now, therefore, this deed witnesses and the parties hereby agree as follows

- (1) In consideration of the permit money, covenants and agreements hereinafter contained and to be performed by the permit holder, the Government hereby grants

and demises unto the permit holder all those mines/beds/veins/seams of _____ (hereinafter referred to as the “said minor minerals”) situated, lying and being in or under the lands referred to in Clause 2. These rights are granted along with the liberties and privileges mentioned in **Part-I**, subject to restrictions in **Part-II** and other provisions of the permit.

- (2) All that tract of land situated at village _____, in Sub-Division _____, District _____, bearing Plot Numbers _____, containing an area of _____ hectares (or thereabouts), delineated on the annexed plan and bounded:

On the North by: _____

On the South by: _____

On the East by: _____

On the West by: _____

and (hereinafter referred to as the “said lands” or “permit area”)

- (3) The permit holder shall hold the premises hereby granted and demised from the _____ day of _____ for a term of _____ years thence next ensuing.

Part-I –

Liberties and Privileges

The following liberties and privileges may be exercised by the permit holder, subject to the provisions of the permit:

1. To enter upon land and search for, win, and work:

Liberty to enter upon the said lands during the permit term and to search for, bore, dig, drill, win, work, dress, process, convert, carry away, and dispose of the said minor mineral(s).

2. To sink, drive and make pit, shafts and inclines:

Liberty to sink, drive, make, maintain and use in the said land any pits, shafts, inclines, drifts, levels, waterways, airways, and other works, and to use, maintain, deepen or extend any existing works of similar nature in the said lands.

3. To bring and use machinery, equipment:

Liberty to erect, construct, maintain and use on or under the said lands any engine, machinery, plant, dressing floors, furnaces, coke ovens, brick kilns, workshops, storehouses, bungalows, godowns, sheds and other buildings and conveniences of like nature.

4. To use water from streams:

Liberty but subject to the rights of existing or future permit holders and with the Collector’s written permission—to use water from streams, watercourses, springs or other

sources on the land. This includes the right to divert or dam such sources to create and maintain water supply systems, but without polluting streams or interfering with navigation.

Note: Written permission from the Government is required to interfere with navigable stream.

5. To fell undergrowth and utilize timber and trees:

Liberty to clear undergrowth and brushwood. However, the permit holder shall not fell any trees without prior written permission from the Forest Department. If permitted, payment for trees must be made in advance at prescribed rates.

6. To get building and road materials:

Liberty to quarry and use stones, gravel, clay and other construction materials for internal use. These materials can be made into bricks or tiles for personal use—but not for sale.

7. To use land for stacking purpose:

Liberty to use part of the land surface to stockpile, store, or deposit mined products including overburden and waste materials, as well as tools and equipment used for mining.

8. To install fuel pumps or stations for Diesel or Petrol for self use:

Liberty to use a sufficient part of the land for installing fuel pumps or stations for diesel or petrol for self-use or consumption required for mining operations in the permit area, subject to permission from the authority.

9. To construct magazine for explosives and storage sheds:

Liberty to construct magazines for storage of explosives and storage sheds for explosive-related substances, with permission from the competent authority.

10. Liberty to seek permission for diversion of public roads, overhead electric lines:

Liberty to request the competent authority for diversion of public roads or overhead electric lines passing through the concession area at the expense of the permit holder, to ensure scientific and systematic mining.

Part-II

Restrictions

The liberties, powers, and privileges granted under Part-I are subject to the following restrictions and other provisions of this permit:

1. No mining operations within the limits of public works:

The permit holder shall not carry on, or allow to be carried on, any mining operations:

- (i) within a distance of 75 (seventy five) metres from any railway line if any, except under and in accordance with the written permission of the railway administration concerned, 50 (fifty) metres from any reservoirs, canals or other public works, or buildings, 75 (seventy five) metres from bridges on highways except under and in accordance with the previous permission of the Competent Authority.

Explanation:

For the purpose of this clause, the expression "Railway Administration" shall have the same meaning as defined under sub-section (4) of section 3 of the Indian Railways Act, 1890:

Provided that where the continuance of any mining operations in any area, in the opinion of the Government, is likely to endanger the safety of any National or State Highway, road, bridge, drainage, reservoir, tank, canal, or other public works, or public or private buildings, or is against public interest or the interest of the environment/ecology of the area, the Government may terminate the permit after giving **sixty (60) days' notice** to the permit holder. The permit shall stand terminated on the date mentioned in the notice.

Provided further that in the case of National Emergency or war, the permit may be determined without such notice.

(2) Special Conditions for River Bed Mining:

In case of river bed mining or excavation of minor mineral, in order to ensure safety of river bed structures and the adjoining areas the following special conditions shall be abide by the permit holder.

- (a) No mining would be permissible in a river bed upto a distance of 5 times of the span of a bridge on upstream side and the times the span of such bridge on down stream side, subject to a minimum of 250 meters on the upstream side and 500 meters on the downstream side.
- (b) There shall be maintained an un-mined block of 50 meters width after every block of 1000 meters over which mining is undertaken or at such distance as may be directed by the competent authority.
- (c) The maximum depth of mining in the river bed shall not exceed 3 meters measured from the un-mined bed levels at any point in time with proper bench formation.
- (d) Mining shall be restricted within the central $\frac{3}{4}$ width of river/rivulet.
- (e) No mining shall be permissible in an area upto a width specified by the competent authority from the active edges of embankments.
- (f) Any other conditions as may be required by the competent authority in public interest.

(3) Not to use the land for other purposes:

The permit holder shall not cultivate or use the land for any purpose other than what is specified in the permit agreement

(4) Disposal of mineral(s) only on issuance of Mineral Transit Pass:

The permit holder shall not sell or dispose of any mineral or mineral products from the concession area without a valid **Mineral Transit Pass**.

(5) Stacking of mineral(s) inside permit area:

Stockpiling of excavated minerals within the permitted area shall not exceed twice the quantity of average monthly production as per the approved mining plan or scheme.

(6) Stacking of mineral(s) outside permit area:

The permit holder shall **not stock any minor mineral** outside the permit area.

(7) Stacking and storage of incidentally extracted major minerals:

In case permit holder while extracting minor mineral given on permit incidentally extract any major mineral not given on permit the same shall be the property of the government and the permit holder shall be under an obligation to stack and store it and maintained its proper record in accordance with the direction of the competent authority who shall also be competent to prescribe the procedure for its disposal and in case it is detected that permit holder has disposed off incidentally extracted major mineral in this clause or in the rule in whole or part thereof or failed to maintain the record of stored mineral, he shall be liable to penalties under the act and also premature the termination of mining permit in terms of the rules.

(8) Restrictions on mining operations above ground water table:

A **safety margin of 2 metres** shall be maintained above the groundwater table. Mining below this level is **not permitted** without specific permission from the competent authority.

(9) Restrictions on surface operations:

No mining shall be undertaken in any area prohibited by any authority or by the orders of any court.

(10) No mining operations without requisite clearance:

The permit holder shall not undertake any mining operations in the area granted on mining permit without obtaining requisite clearance from the competent authority as required for undertaking mining operations.

Part –III
Covenants of the permit

The permit holder hereby covenant with the Government as follows:-

1. Security deposit:

The permit holder shall deposit twenty five percent of the annual bit amount or rate of permit money as Security . The security amount shall be deposited as per following:-

- (i) Ten percent as initial bid security at the time of auction; and
- (ii) Fifteen percent of the annual bid amount before commencement of mining operations or before the expiry of period allowed;

2. Mode of payment of permit money and surface rent

- (a) The permit holder shall deposit one advance installment of permit money before commencement of mining operations or before the expiry of period allowed along with fifteen percent of the balance security amount as per clause (2) above.
- (b) The permit holder, during the subsistence of the permit, shall pay in advance to the Government the installments of the permit money in respect of the said land given to him on mining permit in four quarterly installment on the 1st of April, 1st of June, 1st of September and 1st of December.

Note: The amount of one advance installment deposited at the time of commencement of the mining operations or within time allowed for the same shall be adjusted in a manner that the subsequent installments are payable for a full calendar month or quarter or year, as the case may be.

3. Amount to be deposited on account of Fund

Where the permit holder is operating the area, he shall also pay an additional amount, equal to 10% of the due permit money along with amount of installments on account of dead rent or royalty as surety towards implementation of Mine Closure Plan.

4. Interest on delayed payments:

In case of any default in payment of the installments of permit money /contribution to the Fund on the due date(s), the amount would be payable along with interest at the following rates:

Serial Number	Period of delay	Rate of Interest applicable
(i)	If paid within a period of 7 days from the due date	A grace period of up to 7 days is allowed without any interest
(ii)	If paid after 7 days but up to 30 days of the due date	15% on the amount of default for the period of default including the grace period;
(iii)	If paid after 30 days but within 60 days of the due date	18% on the amount of default for the period of default including the grace period:
(iv)	Delay beyond 60 days of the due date	If would amount to a breach invite action for termination of the contract and the entire outstanding amount would be recoverable along with interest calculated @ 21% for the entire period of default

5. Working of newly discovered minerals:

If any minor mineral not specified in the permit, is discovered in the permit area, the Permit holder shall report the discovery without delay to the competent authority and shall not win or dispose of such minor mineral without obtaining a separate mineral concession/ lease for such mineral. If he fails to apply for such a mineral concession within six months from the discovery of the minor mineral, the competent authority may give the mineral concession in respect of such mineral, to any other person:

Provided that the grant of such permit may be refused for reasons to be recorded in writing.

6. To commence mining operations within one hundred eighty days and carry them on properly:

Unless the competent authority for sufficient cause otherwise, the permit holder shall commence mining operations one hundred eighty days from the date of execution of the permit and shall thereafter conduct such operations in a proper, skilful and workman like manner.

Explanation:- For the purpose of this clause, mining operations shall include the erection of machinery laying of a tramway or construction of a road in connection with the working of the mine.

7. To erect and maintain boundary pillars:

To permit holder shall at his own expenses, erect and at all time maintain and keep in good repairs boundary marks and pillars according to the plan annexed to the permit. Each of the pillars should be numbered and every pillar shall have GPS reading.

The permit holder shall keep correct accounts showing the quantity and other particulars of all minerals obtained from the mines and the number of persons employed therein and a complete plan of the mine and shall allow any officer authorized by the Government or the

Central Government or the competent authority in that behalf to examine at any time any accounts and records maintained by him, and shall furnish to the Government or the Central Government of the competent authority with such information and returns as it may require.

8. To allow facilities to other concession holders:

The permit holder shall allow existing and future concession holders of any land which is comprised in or adjoins or is reached by the land, held by the lessee, reasonable facilities for access thereto.

9. To allow entry to officers:

The permit holder shall allow any officer authorized by the Government or the Central Government or the competent authority to enter upon any building excavation or land comprised in the permit area for the purpose of inspecting the mines.

10. Returns:

The permit holder shall:-

- (a) submit to the Competent Authority or his authorized Officer a quarterly royalty statement in Form - I by the 15th April, 15th July, 15th October, 15th January for the preceding quarters ending on 31st March, 30th September and 31st December respectively.;
- (b) also furnish an annual return on minerals extracted, dispatched, royalty paid, etc., in Form MMP-2 to the Competent Authority as the case may be by the 15th of April for the preceding financial year.

11. To strengthen and support the mines:

The permit holder shall strengthen and support to the satisfaction of the Railway Administration or the State Government, as the case may be any part of the mine which in its opinion requires such, strengthening or support for the safety of any railway, bridge national highway, reservoirs, canal, road or any other public work or building.

12. Notice for use of explosive, etc:

The permit holder shall immediately inform in writing in Form MSE1 in case of (a) working in the mines extends below superjacent ground: or (b) depth of any open cast excavation measured for its highest to the lowest point reaches six meters; or (c) number of persons employed on any day is more than 50; or (d) any explosives are used, to the following;

- (i) The Controller General, India Bureau of mines, Government of India, Nagpur;
- (ii) The Director General of Mines Safety, Government of India, Dhanbad;
- (iii) The Director, Mines Safety, Government of India, Guwahati;
- (iv) The Regional Controller of Mines, India Bureau of Mines, Kolkata;
- (v) The competent authority;

- (vi) The District Magistrate of the District concerned; and
- (vii) The Officer-in Charge.

13. Maintenance of sanitary conditions

The permit holder shall maintain sanitary conditions in the area held by him under the permit.

14. To pay compensation for damage and indemnify the Government:

The permit holder shall make and pay such reasonable satisfaction and compensation for all damage, injury or disturbance which may be done by him in exercise of the power granted by the lease and shall indemnify the Government against all claims which may be made by third parties in respect of such damage, injury or disturbance.

15. Application of all Acts, Rules and Regulations to this permit:

The permit holder shall abide by the rules and regulations framed and also the provisions of other labour laws both Central and State as are applicable to the workmen engaged in the mines and quarries relating to the provisions of drinking water, rest shelters, dwelling house, latrines and first-aid and medical facilities in particular and other safety and welfare provisions in general, to the satisfaction of the competent authorities under the aforesaid Acts, Rules and Regulations and also to the satisfaction of the District Magistrate concerned. In case of non compliance of any of the provisions of the enactments as aforesaid, the competent authority may terminate the mining lease by giving one month's notice with forfeiture of security deposited:

Provided that the permit holder shall carry out mining operations in accordance with all other provisions as applicable for undertaking mining including the provisions of Forest (Conservation) Act, 1980 and Environment (Protection) Act, 1986 and the rules made there under.

16. To report accident:

The permit holder shall without delay report to the District Collector of the district concerned and the competent authority or any other officer authorized by him, any accident which may occur at or in the permit area.

17. Delivery of possession of land and mines on the surrender or sooner determination:

At the end or sooner determination or surrender of the permit, the permit holder shall deliver up the said lands and all mines (if any dug there) in a proper and workable state, save in respect of any working as to which the Government might have sanctioned abandonment.

18. To secure pits/ shafts and not fill them up:

The permit holder shall well and properly secure pits and shafts and will not without permission in writing, willfully close, fill up or close any mine or shaft.

19. Not to enter upon or to commence operations in the reserved or protected forest:

The permit holder shall not enter upon or commence any mining operations in any forest land comprised in the leased area except after previously obtaining permission in writing of the Forest Department

20. To respect water rights and not injure adjoining property:

The permit holder shall not injure or cause to deteriorate any source of water, power or water supply and shall not in any other way render any spring or stream or water unfit to be used or to do anything to injure adjoining land, villages or house.

21. Stocks lying at the end of the permit:

- (a) The permit holder on expiry of the permit period (successful completion of the permit) shall remove already extracted the entire mineral from the premises of the quarry within a period of seven days. In case any quantity of the already extracted mineral, in the said land is left undisposed off and is not removed within seven days from the date of expiry of the period of permit the same shall be deemed to be the property of Government and competent authority may dispose it off in any manner it may like without paying anything thereof to the Permit holder.
- (b) The permit holder on the termination or sooner determination of the permit shall not remove extracted mineral from the premises of the permit areas. All extracted minerals in the said lands left over un-disposed after the termination or determination of lease shall be deemed to be property of the Government and competent authority may dispose it off in any manner it may like without paying anything thereof to the Permit holder.

22. Payment of taxes:

The permit holder shall duly and regularly pay to the appropriate authority all taxes, cesses and local dues in respect of the permit area, side minor minerals or the working of the mines.

23. Payment of additional amount for reclamation / restoration:

The permit holder shall also pay additional amount equal to 10% of the amount of permit money by the 7th of every month to ensure the compliance of the Reclamation and Restoration works. This additional amount shall be refunded after satisfactory reclamation or restoration of the area after mining in accordance with the mine closure plan:

Provided that in case the Permit holder fails to reclaim or restore the area as per mining plan to the satisfactions of the government, the amount deposited in the joint account shall be forfeited and used for the restoration of the area:

Provided further that in case no rehabilitation position of the mine come during the tenure of the mining permit, the amount so deposited shall be kept by the Government in the mining area development fund for future use as and when the mine reaches to a stage requiring restoration and rehabilitation:

24. Assign sublet or transfer of the permit area:

The permit holder shall not assign, sublet or transfer the permit area to any person without obtaining prior permission in writing from the competent authority.

25. Fencing of working place:

If a working place is found to be unsafe, all persons shall be withdrawn by the permit holder immediately from the dangerous area and all access to such working place except for the purpose of removing the danger or saving life shall be prevented by securely fencing the full width of all entrances to the place, at his own cost.

26. Fencing of excavation after termination or sooner determination of the permit:

The permit holder on termination or sooner determination of the permit, shall at his own cost, suitably fence the excavation for safety as instructed by the competent authority.

27. Felling of trees:

The permit holder shall not fell or cut any tree, standing on the land wherein the quarry is located without obtaining prior permission in writing from the Forest Department and paying its price as fixed.

28. Security deposit shall carry no interest:

The security deposited by the permit holder shall not carry any interest. It shall be refunded to the permit holder within three months from the date of expiry or sooner determination of the permit if in case the same is otherwise not forfeited or is not required to be detained for any other purpose.

29 . Government not responsible for loss to Permit holder:

The Government shall not be responsible for any kind of loss to the Permit holder.

Right of the State Government

1. The Suspension or Termination of the permit :- The competent authority shall have the right to suspend or prematurely terminate the permit.

- (a) If the permit money or royalty or surface rent or any other amount due to the Government are not paid,
- (b) if any of the terms and conditions of the permit agreement or conditions of grant or permission to undertake mining by any other statutory authority/Competent authority is violated;
- (c) if any of the provisions of these rules and other laws both Central and State as are applicable to mines and minerals, are not complied with:

Provided that no orders of suspension or termination of the permit shall be passed by the competent authority without giving reasonable opportunity to show cause and following the procedure prescribed in the Rules:

Provided further that in case of default in payment of Government dues such as permit money , royalty , dead rent or any other dues payable under these present, the permit may be terminated by the competent authority without affording hearing to the permit after serving upon a notice to make good the payment within thirty days:

Provided further that the competent authority may also at any time after issuance of the notice for default on account of non payment of dues, enter upon the said premises and detain all or any of the mineral or movable property therein and may carry away , detain or order the sale of the property so detained , or so much of it as will suffice for the satisfaction of the permit money or rent or royalty or both dues and all costs and expenses occasioned by the non - payment thereof.

2. Determination of permit area in public interest:

The Government may by giving six months' prior notice in writing determine the permit if the Government consider that the minor mineral under the permit is required for establishing an Industry beneficial to the public:

Provided that in the State of national emergency or war, the permit may be determined without giving such notice.

3. Right of pre-emption:

The Government shall from time to time and all times during the terms of permit have the right (to be exercised by notice in writing to the permit holder) of pre-emption of the said mineral(s) and all product thereof lying in or upon the said lands hereby.

Demised or elsewhere under the control of the permit holder and shall deliver all minerals or products thereof to the Government at current market rates in such quantities and in the manner at the place specified in the notice exercising the said right.

4. Penalty for not allowing entry to officers:

If the permit holder or his transferee or assignee does not allow any entry or inspection under clause 9 of part-III, the competent authority may cancel the permit and forfeit in whole or in part the security deposit paid by the permit holder.

5. Compensation and acquisition of land of third parties thereof:

In case the occupier(s) or owner(s) of the said land refuses his consent to the exercise of the rights and powers reserved to the Government and demised to the permit holder under these presents, the permit holder shall report the matter to the competent authority who shall request the Collector of the district concerned to direct the occupier(s) or owner(s) to allow the permit holder to enter the said lands and to carry out such operations, as may be necessary for working the mine, on payment in advance of such compensation to the occupier or owner by the permit holder, as may be fixed by the Collector concerned under the rules.

6. Suspension of mining operations:

The competent authority may order to suspend the mining operations after serving a notice to the permit holder, in case, the following violations are noticed:-

- (a) Unsafe and unscientific mining; or
- (b) non providing of safety appliances to the workers; or
- (c) non payment of compensation to the surface owners; or
- (d) non submissions of monthly returns;

In case of violations of the aforesaid conditions and also any other terms and conditions of the agreement deed and the provision of the rules, the competent authority may give a notice to the permit holder to remedy the violations within a period of fifteen days from the date issue of the notice. In case, the violations pointed out through notice, are not remedied within the stipulated period of fifteen days, the competent authority may after affording an opportunity of being heard to the permit holder, order the suspension of the mining operations, till such time, the defaults/ defects are removed by the permit holder within the time frame granted by the competent authority. During the period of suspension of mining operations, the permit holder will be allowed only to undertake rectification work for removal of the defects and shall not dispose off the mineral. During the suspension period, the permit holder shall be under the obligation to deposit the amount of the Govt. dues on the due dates.

On satisfactory removal of the defects, the competent authority may revoke the suspension order with or without any modification. Non removal of the competent authority, shall lead to premature termination of permit.

Part-V

General

1. Cancellation:

The Permit holder shall be liable to be cancelled by the competent authority if the permit holder ceases to work the mine for a continued period of one hundred eighty days without obtaining written sanction.

2. Notices:

Every notice by these presents required to be given to the permit holder shall be given in writing to such person resident on the said lands as the permit holder may appoint for the purpose of receiving such notices and if there shall have been no such appointment then every such notice shall be sent to the permit holder by registered post addressed to the permit holder at the address recorded in this permit or at such other address in India as the permit holder may from time to time in writing to the competent authority designate for the receipt of notices and every such services shall be deemed to be proper and valid service upon the permit holders and shall not be questioned or challenged by him.

3. Recovery of Government dues as arrears of land revenue:

Without prejudice to any other mode of recovery authorized by any provision of this permit or by any law, all amounts, falling due hereunder against the permit holder may be recovered as arrears of land revenue under the law in force for such recovery.

4. Forfeiture of property left more than three months after expiry or determination of permit:

The permit holder shall remove his property lying on the said lands within three months after the expiry or sooner determination of the permit. The property left after the aforesaid period of three months shall become the property of the Government and may be sold or disposed of in such manner, as the competent authority shall deem fit, without liability to pay any compensation therefore, to the permit holder.

5. Security and forfeiture thereof:

- (a) The competent authority may forfeit the whole or any part of the amount deposited as security under this permit, in case the permit holder commits a breach of any covenants to be performed by the permit holder under the permit.
- (b) Whenever the said security deposit or any part thereof or any further sum hereafter deposited with the Government in replenishment thereof is forfeited under sub clause (a) or applied by the competent authority under the permit (which the competent authority is hereby authorized to do) the permit holder shall immediately deposit with the inappropriate part thereof to bring the amount in deposit with the Government up to the requisite amount of security at that point of time of permit.
- (c) The rights conferred to the competent authority by clause (a) shall be without prejudice to the rights conferred on the Government by any other provision of this permit or by any law.
- (d) On such date, as the competent authority may decide, within twelve calendar months after the determination of this permit or refusal of any renewal thereof, the amount of security deposit paid in respect of this permit and then remaining in deposit with the Government and not required to be applied to any of the purposes mentioned in this permit shall be refunded to the permit holder. No interest shall run on the security deposit.

6. Survey and demarcation of the area:

When a mining permit is granted, arrangement shall be made, if necessary, at the expense of the permit holder, for the survey and demarcation of the area granted under the permit. The permit holder shall have to bear actual expenses of the staff deputed for the work. Actual expenses will include travelling allowances, daily allowances and salary of staff plus ten percent as instrument charges.

7. Surrender of a mining permit by the permit holder:

The Government may accept the request of the permit holder for surrender of a permit or part thereof in cases where it is established that it has not been found feasible to operate the permit grant for what so ever reasons subject to the condition that the permit holder:

- (i) has been regular in furnishing the production returns as required in terms of the permit agreement;
- (ii) has been taking the requisite steps for the progressive mine closure plan as per the condition of the permit grant;

- (iii) is not in default of payment of any dues of the Government as on the date of making such application and undertakes to pay all such dues till the date of expiry of the notice period either in cash in advance or by way of adjustment of the security or both:

Provided that in case the permit holder makes an application for surrender of part area of the permit, it shall not result in any prorated reduction of the permit money and the rate of permit money payable and applicable for the entire area at the time of such application shall remain intact.

8. Penalty for repeated breaches:

In case of repeated breaches of covenants and agreements by the permit holder for which notice has been given by the competent authority in accordance with sub-rule (1) of rule 52 and/ or sub rule (1) of the rule 53 on earlier occasions, the Director without giving any further notice, may impose such penalty not exceeding twice the amount of annual permit money.

9. Obtaining GST number:

The permit holder shall get himself registered with the Taxation Department of Sikkim and shall obtain the GST number.

10. Overriding effect:

Unless otherwise specifically provided, it is agreed that this deed shall be governed by the provisions of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957) and the rules maybe there under. The provision of Act and the rules shall prevail over the terms and conditions of the agreement.

Signature of the Permit holder

For and on behalf of the Governor of Sikkim.

Witness:-

1. _____

1. _____

2. _____

2. _____

Signature of surety

Witness

1. _____

2. _____

FORM MMP-1

[See rule 14, sub rule 1(b), rule 27 (5)]

Monthly return for the month of _____ (to be furnished by the mining lessee/permit holder)

1.	Name of the Mine		3.	Name and address of lessee	
2.	Location of the Mine (a) Village (b) District (c) State		4.	Name of Minor Mineral(s) for which lease has been granted	

Name of the Minerals	Closing stock brought forward from the previous month tonne/Cu.M	Production during the month tonne/Cu.M	Dispatch during the month in Tonne/Cu.M				Closing stock (tonne/Cu.M)
5.	6.	7.	8.				9.
			By Truck	By Railways	By other means	Total	

Average daily No. of Employee				Wages Paid			
10				11			
Male 6A	Female 6B	Adolescent 6C	Total 6D	Male 7A	Female 7B	Adolescent 7C	Total 7D

Date:-

Signature of Lesser/ Permit Holder
or his authorised agent

Please furnish on the reverse of this form reasons for rise or fall in production, dispatches and labour employed, etc. as compared with the previous month.

(2) Please send this report to:

(a) The competent authority.

(b) The Officer-in-Charge concerned by the 10th of the month following the month under report.

FORM MMP -2

(See rule 14 sub rule (1) (o) and rule 30 (5))

Annual return to furnished by the mining lessee/

Annual statement of Minor Minerals obtained, labourer employed, etc, for the Financial
Year ending20.....

Name of the lessee.....

Area of the Lease.....

Village.....

Sub-Division.....

District.....

Name of the Minor Mineral	Output	Value	Average number of persons employed daily		
1	2	3	4		
			Male	Female	Total

Average No. of days worked	No. of accidents	Compensation paid (in Rs.)	No. of days worked	Remarks
5	6	7	9	9

Dated:.....

Signature of the lessee/ Permit Holder
or his authorized agent.NB: This return is to be submitted by the 15th of April of each year for the preceding financial year, i.e from first of April to 31st March to the:

- (a) The competent authority.
- (b) The Officer-in-Charge concerned.

FORM MSE -1

(See rule 14, sub rule 1 (t))

Notice for explosive, etc. by the lessee

1.	Name of Mine	
2.	Name of minor minerals (s) excavated	
3.	Situation of mine (village, Police station, sub-division, District.	
4.	The date when works were first started	
5.	Name and postal address of present owner(s)	
6.	Name and postal address of agency, if any	
7.		
	Age	
	Qualification	
	Experience in mining	
8.	Whether workings are likely to be extended below; superjacent ground.	
9.	Maximum depth of open cast excavation measured from its lowest point.	
	Date when depth first exceeded six meters.	
10.	Nature, amount, and kind of explosives used if any.	
11.	Date when explosive was first used	
12.	Dates(s) on which the number of persons employed on any days exceeded 50	

Dated.....

Signature of Owner/Agent/Manager

To be sent to:

1. The Controller general, Indian Bureau of Mines, Government of India, Nagpur.
2. The Director General of Mines Safety, Government of India, Dhanbad.
3. The Principal Director, Mines Safety, Government of India, Guwahati
4. The Regional controller of Mines, Indian Bureau of Mines, Kolkata.
5. The competent Authority
6. The District Magistrate of the concerned District and
7. The Officer-in-Charge concerned.