

**PROCEDURE FOR GRANT OF THE MINING CONCESSIONS OF
SMALL SCALE MINING UNDER PUNJAB MINING CONCESSION RULES 2002**

An application on prescribed form seeking grant of mining concession under Small Scale Mining i.e. Coal, Rock Salt, Iron ore etc. are furnished by hand to the Licensing Authority or his authorized representative in the office of Director General of Mines & Minerals, Punjab. The applicant is required to furnish following documents alongwith application form duly filled in:-

- a) Attested copy of CNIC of individual/partners/Directors of firm/company etc.
- b) The original copy of the Treasury Challan pertaining to the deposit of the application fee of Rs. 15,000/- (for Coal, Iron ore & Rock Salt) and Rs. 10,000/- (For other minerals) in the following provincial head of account:-

**“CO 3808 Receipts under the Mining and Oil-fields And Minerals
Development Act 01 Receipts from rents and royalties, annual fees,
charges, Fees, application fee, cost of Plans etc.”**

- c) In case of partnership firm, an authenticated copy of partnership deed duly registered with the concerned Registrar of Firm.
- d) In case of a company, verified copies each of the Memorandum and Articles of Association and Certificate of Incorporation.
- e) 15 copies of map of the area showing the boundaries of the area in respect of which the license or lease is applied for. The map shall be prepared from Survey of Pakistan Topo Sheet of scale 1:50,000.
- f) In case of mining concession for Coal, Rock Salt and metallic minerals, attested copies of the evidence of financial status of the applicant relating to the fixed deposits, Defense Saving Certificates, NIT Shares in the name of the applicant to the extent of Rs. 7.00 lac or statement of Bank transactions for a period of 12 months (not older than a month on the date of filling of application) showing a minimum closing balance of Rs.7.00 lac and reasonable number of transactions of the same amount during the year.
 - i. Evidence of immovable property duly verified by the Competent Authority to the tune of Rs. 15.00 lac. In case, an applicant is unable to produce evidence of immovable property, he/she may furnish additional evidence of his/her capacity to invest cash amount of Rs.15.00 lac.
 - ii. Provided in case an applicant is unable to show the cash liquidity at (f i) above he/she may give additional evidence of immovable property for double the amount stated therein.

- g) In case of mining concessions for all other minerals, attested copies of the documents relating to the fixed deposits, Defense Saving Certificates, NIT Shares in the name of the applicant for Rs.3.00 lac or statement of Bank transactions for a period of 12 months (not older than a month on the date of filling of application) showing a minimum closing balance of Rs. 3.00 lacs and a reasonable number of transactions of the same amount during the year.
- i. Evidence of immovable property duly verified by the Competent Authority to the tune of Rs.10.00 lac. In case, an applicant is unable to produce evidence of his/her capacity to invest cash amount of Rs. 10.00 lac.
 - ii. Provided in case an applicant is unable to show the cash liquidity at (g i) above he/she may give additional evidence of immovable property for double the amount stated therein.
- h) The maximum and minimum limits regarding size of the area under a prospecting License/mining lease for coal will be from 200 to 1000 acres for an individual and for private limited company having financial capability/capital of 5.0 million is up to 1500 acres. For all other minerals, it will be from 50 to 300 acres.

The authorized officers by the Licensing Authority receiving the application complete in all respects and mentions the date & time of its receipt on the application form and there after issue an acknowledgement stating the date & time of receipt.(Rules 95,96 & 97 of Punjab Mining Concession Rules 2002)

After completion of basic requirement, like site inspections, availability of the area, report from Drawing Branch, views of Resource Mapping Division etc. the complete cases are placed before the meeting of the Mines Committee which consists of the following members.

1.	Director Small Mines Assistance/Titles, Punjab, Lahore.	Chairman
2.	Director Environmental Facilitation Punjab, Lahore.	Member
3.	Chief Inspector of Mines or his authorized representative.	Member
4.	Manager, Geological Mapping, Hqr's Office, Lahore.	Member
5.	Section Officer (P&D) (or his authorized representative) Forestry, Wildlife & Fisheries Department, Punjab, Lahore.	Member
6.	Section Officer (IMCTT) (or his authorized representative) Finance Department, Punjab, Lahore.	Member
7.	Deputy Director (Mines & Minerals), Hqr's Office, Lahore.	Secretary

Mines Committee convenes its meeting normally in each month and after considering working papers approve grants of mining concession to the applicants on the principle of priority i.e. "*First Come First Serve Basis*".(Rule 104 ibid) The applicants, whose cases are approved by the Mines Committee, are issued offer letters, requiring applicants to

deposit advance annual fee per acre for 3 years and security (on the prescribed rate as notified by the Government from time to time) in shape of cash / Defense Saving Certificate in the following provincial head of account:-

Security Head of Account

“3000000 Deposit & Reserves, B-Not bearing Interest 35000000 Departmental & Judicial deposits 3501015 Deposits of Department Mineral Department”

After fulfillment of codal formalities, allotment letters showing the grant of prospecting licenses are issued initially for a period of three years. The licensee is required to furnish copy of plan duly signed by the licensee in token of acceptance within one month, copy of the demarcation certificate of the area, copy of prospecting scheme and a copy of geological plan/general plan within a period of maximum three months to allow him / her to work in the area after issuance of work order. On satisfactory performance, license is extended for further period of two years thus making total period of the prospecting license upto five years. If a licensee succeeds in proving the mineral then he / she can file application for conversion of prospecting license into long term mining lease, one month before the date of expiry of the license, and also fulfils the prescribed conversion criteria, his/her case is placed before the Mines Committee for its approval regarding conversion of prospecting license into mining lease. The mining leases are granted for a maximum period of 30 years and this period is further renewable. The licensee/lessee is required to pay the royalty on the mineral excavated and dispatched from the area, on the prescribed rates as notified by the Government from time to time.

RELEVANT RULES

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

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

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

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

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

- (a) the original copy of the Treasury Challan pertaining to the deposit of such application fee as is notified by the Government from time to time;
- (b) in the case of a partnership firm, an authenticated copy of the partnership deed duly registered with the Registrar of Firms concerned;
- (c) in the case of a company, a verified copy each of the Memorandum and Articles of Association and Certificate of Incorporation;
- (d) fifteen copies of the map duly signed by the applicant, showing the boundaries of

the area in respect of which the licence or lease is applied for. The map shall be prepared from the Survey of Pakistan Maps of Scale 1:50,000 or nearest scale available. It will be sufficient compliance of this sub-rule if only one copy of the map or sketch plan showing area and grid lines is attached with the application and such fee for preparing 15 copies of the plan, as is notified by the Government from time to time, is paid in advance; and

(e) evidence of financial status of the applicant in the manner as may be prescribed by the Licensing Authority from time to time.

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

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

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

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

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

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

- (a) Serial No.
- (b) Date and time of the receipt of application.
- (c) Particulars of the applicant.
- (d) Mineral for which a licence or a lease is required.
- (e) Period for which a licence or a lease is required.
- (f) Full particulars of the area applied for.
- (g) Application fee paid.
- (h) Final orders regarding disposal of the application.
- (i) Remarks, if any.

(2) The register maintained under sub-rule (1) and the Master Plan showing the area in respect of which a lease or a licence has been applied for or granted shall be open to public for inspection on payment of such fee as is notified by the Government from time to time.

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

101. Separate application to be made for each area and each mineral.- A separate

application shall be made in respect of each area and for each mineral.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Rule 128. Right of the licensee to a mining lease.-

Subject to the provisions of these rules, the licensee shall have a right to lease:

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

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