



**GOVERNMENT OF THE PUNJAB  
MINES AND MINERAL DEPARTMENT**

Dated Lahore the        January 2016

**NOTIFICATION**

No.SOT(M&M)3-1/15.VOL(II) In exercise of the powers conferred under section 2 of the Regulation of Mines and Oil-fields and Mineral Development (Government Control) Act, 1948 (XXIV of 1948), Governor of the Punjab is pleased to direct that in the Punjab Mining Concession Rules, 2002, the following amendments shall be made:

**AMENDMENTS**

In the said Rules:

- (1) for rule 192, the following shall be substituted:

“**192. Period of lease.**– The Government shall, through notification, specify the period of lease for minor minerals, not exceeding three years.”
- (2) after rule 197, the following rule 197A shall be inserted:

“**197A. Reserved price.**– (1) The Special Experts Committee, as notified by the Government shall determine the reserved price of lease before auction of a block or zone of minor minerals.

(2) The Special Experts Committee shall consider the following factors while determining the reserved price of a block or zone of minor minerals:

  - (a) geological survey, location of the block and assessment of mineral in the blocks or zones;
  - (b) quality of the mineral in the blocks or zones;
  - (c) availability of access road to the blocks or zones;
  - (d) accessibility to the market and consumption of the mineral in the blocks or zones;

- (e) average excavated quantity of mineral from the block or zone during the last five years;
  - (f) previous bidding history of the blocks or zones;
  - (g) future potential for excavation from the blocks or zones; and
  - (h) any unique factor at the site of the blocks or zones relevant for determining the reserved price.”;
- (3) for rule 205, the following shall be substituted:
  - “**205. Security deposit.**– (1) The highest bidder shall, with fifteen days from the date of the issuance of the letter of approval of the bid, deposit fifteen percent of the bid money as security in accordance with the directions of the Licensing Authority.
  - (2) If the highest bidder fails to deposit the security within the time prescribed under sub-rule (1), the Licensing Authority shall reject the bid.
  - (3) On rejection of the bid, the Licensing Authority shall forfeit the following amounts:
    - (a) bid money already deposited;
    - (b) earnest money already deposited; and
    - (c) any other amount deposited by the bidder pursuant to the terms and conditions of the auction.
  - (4) If a bid is rejected under sub-rule (2), the Licensing Authority may treat the next highest bidder as the highest bidder for the award of lease.
  - (5) Subject to the adjustment of any amount due, the Licensing Authority shall return the security deposit to the lessee on successful completion of the lease period.”;
- (4) in rule 207, after sub-rule (2), the following sub-rule (3) shall be inserted:
  - “(3) If the lease is cancelled under sub-rule (2), the Licensing Authority shall:
    - (a) forfeit the amount of security deposited by the lessee; and
    - (b) black-list the lessee for future grant of any lease under these rules.”;

- (5) after rule 207, the following rules 207A and 207B shall be inserted:

**"207A. Maximum limit of leases.**– The Government may fix the maximum number of leases for different minerals in an area or district on the basis of extent of area, number of blocks, production of mineral and market share of an individual, firm or company.";

**207B. Necessary production.**– (1) The Licensing Authority shall determine the necessary or appropriate level of production which the lessee shall be required to maintain during the subsistence of the lease.

(2) If the lessee fails to maintain the necessary or appropriate level of production as mentioned in the sub-rule (1), the Licensing Authority may cancel the lease after providing the lessee an opportunity of hearing."; and

- (6) for rule 219, the following shall be substituted:

**"219. Right of surrender.**– (1) If the lessee dies during the subsisting lease, all of his legal heirs may surrender the lease after giving two months prior notice to the Licensing Authority.

(2) The legal heirs of a deceased lessee may retain the lease till the expiry of the lease period or notice mentioned under sub-rule (1), whichever is earlier.

(3) Subject to the adjustment of the amounts due, the Licensing Authority shall refund the security deposit or any other amount of the lessee to his legal heirs in case of surrender or expiry of lease of the deceased lessee."

**SECRETARY  
GOVERNMENT OF THE PUNJAB  
MINES AND MINERALS DEPARTMENT**

**Endst. No. & Date Even.**

A copy is forwarded for information and necessary action to:-

- i) The Director General, Mines & Minerals, Punjab, Lahore.
- ii) The Chief Inspector of Mines, Punjab, Lahore.

**Section Officer (Technical)**