

FORM B
Model Form of Prospecting Licence
[See Chapter V]

When the licensee is an individual

THIS INDENTURE made this..... day of..... 20
Between.....
(hereinafter Referred to as the "Grantor" which expression shall where the context so admits be deemed to include his successors and assigns) of the one part and..... (name of person with Address and occupation) (hereinafter referred to as "the licensee" which expression shall where the context so admits be deemed to include his heirs, executors, administrators, representatives and permitted assigns).

When the licensee are more than one

..... (Name of person with address and occupation) and..... (Names of persons with addresses and occupation) (hereinafter referred to as "the licensees" which expression shall where the context so admits be deemed to include their respective heirs, executors, administrators, representatives and permitted assigns).

When the licensee is a registered firm

.....(Name and address of partner) son of
..... of.....son of..... of.....son of..
of.....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.....in the town is a of..... (hereinafter referred to as "the licensees" which expression shall where the context so admits be deemed to include all the said partners, their respective heirs, executors, legal representatives and permitted assigns).

When the licensee is a registered company

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

WHEREAS the owner/grantor/licensee(s) has obtained prior approval for grant of prospecting license for coal from the Government of India, in respect of the land specified in Schedule `A' hereunder written and delineated in the plan herewith annexed (hereinafter referred to as the said lands) vide order No..... dated

WHEREAS the owner/Grantor has applied to the State Government in accordance with Chapter V of the Mineral Concession Rules, 1960 (hereinafter referred to as the said Rules) for an authorization to grant a license to Licensee/Licensees to prospect for coal in the said land and Licensee/Licensees has/have paid to the Grantor the sum of Rs..... as the prescribed prospecting fee for..... months/ years in advance in respect of such licence and WHEREAS there is no objection to the grant of such licence and WHEREAS the State Government vide order No..... dated..... authorized the Grantor to grant prospecting license to Licensee/Licensees for exploration, preparation of Geological Report and Feasibility study for coal NOW THESE PRESENTS WITNESS as follows:

PART-I

In consideration of the fee, royalties or service fee, covenants, and agreements hereinafter reserved and contained and on the part of the licensee/licensees to be paid observed and performed the Grantor hereby grants and demises into the licensee/licensees the sole and exclusive rights and licence.

To enter upon the lands and to search and prospect for minerals ,

(1) To enter upon the said lands and to search for/prospect by quarrying, boring and digging or otherwise all or any.....(Name of minerals) lying or being within under or throughout the said lands;

Provided that the licensees may win and carry away for purposes Other than commercial purposes-

- a) any quantity of such minerals within the limits specified in Schedule III of the Mineral Concession Rules, 1960, without any payment;
- b) any quantity of such minerals exceeding such limits but not exceeding twice such limits, which is won during prospecting operations on payment of royalty for the time being specified in the Second Schedule to the Act in respect of those minerals;
- c) any quantity of limestone not exceeding 500 (tonnes) for testing its use in any industry specified by the Central Government in this behalf, on payments of royalty for the time being specified in the Second Schedule to the Act in respect of limestone;
- d) With the written approval of the State Government, the licensee may carry away quantities of minerals in excess of twice the limit specified in the Schedule III on

payment of royalty for the time being specified in the Second schedule to the Act, for chemical, metallurgical, ore-dressing and other test purposes;

To clear undergrowth and brushwood, etc.

- (2) Subject to the provisions of clauses 5 and 6 of Part II of these presents for the purpose aforesaid to clear undergrowth and brushwood and trees with the sanction of the Divisional Forest Officer previously obtained in writing, to make and use any drains or water courses on the said lands with the sanction of the Deputy Commissioner for purposes as may be necessary for effectually carrying on the prospecting operations and for the workmen employed thereon and with the like sanction to use any water provided always that such use shall not diminish or interfere with the supply of water to which any cultivated land, building or watering place, for livestock has heretofore been accustomed and streams, springs or well shall be fouled or polluted by any such use or the operations hereby licensed.

To bring upon and erect machinery etc. on the said lands

- (3) To erect and bring upon the said lands all such temporary huts, sheds and structures steam sand other engine machinery and conveniences, chattels and effects as shall be proper and necessary for effectually carrying on the prospecting operations hereby licensed or for the workmen employment thereon.

RESERVED nevertheless to the Grantor full power and liberty at all times to enter into and upon and to grant or demise to any person or persons whomsoever liberty to enter into and upon the said lands for all or any purposes other than those for which sole rights and licence are hereby expressly conferred upon the licensee/licensees and particularly (and without hereby in any way qualifying such general power and liberty) to make on, over or through the said lands such roads, tramways and ropeways as shall be considered necessary or expedient for any purposes and to obtain from and out of the said lands such stone, earth or other materials as may be necessary or requisites for making, repairing or maintaining such roads, tramways, railways and ropeways to pass and repass at all times over and along such roads, tramways, railways and ropeways for all purposes and as occasion shall require.

To hold the said right and licence unto the licensee/licensees from the date of these presents for the term of (hereinafter referred to as the said term).

Paying therefor annually in advance a sum of Rs..... being the prospecting fee for each year or portion of a year and immediately on the expiration of sooner determination of the said term clear of all fees, rates, taxes, charges, deductions and royalty or service fee at the

rates specified in Schedules 'B' and 'C' hereunder written on the minerals won and carried away by the licensee/licensees during the said terms.

PART-II

Covenants by Licensee/Licensees

The licensee/licensees hereby covenants/covenant with the State Government and the Grantor as follows:-

Payment and rates of royalty or service fee

(1) To pay royalty or service fee to the Grantor and State Government at such rates and at such time as are specified in Schedule 'C' hereunder written provided that the licensee/licensees shall be entitled to carry away free of royalty or service fee not more than..... for experimental purposes.

Payment of prospecting fee

(2) To pay a prospecting fee to the Grantor annually in advance in respect of ensuing year or part of the year at such rates and time as are specified in Schedule 'B' hereunder written.

To Carry on work in workman-like manner

(3) To work and carry on the operations hereby licensed in a fair orderly skilful and workman-like manner and with as little damage as may be to the surface of the lands and to trees, crops, buildings structures and other property thereon.

Maintenance of correct accounts

(4) Licensee/licensees shall maintain a correct and faithful account of all the expenses incurred by him/them on prospecting operations and also the quantity and other particulars of all minerals obtained during such operations and their despatch.

No mining operations within 50 meters of public work, etc.

(5) The licensee/licensees shall not work or carry on or allow to be worked or carried on any prospecting operations at or to any points within a distance of 50 meters from any railway line except with the previous written permission of the Railway Administration concerned or from any reservoir, canal or other public works such as public roads and buildings or inhabited site except with the previous written permission of the Deputy commissioner/Collector or any other Officer authorised by the State Government in this behalf and otherwise than in accordance with such instructions, restrictions and conditions either general or special which may be attached to such permission. The said distance of 50 meters shall be measured in the case of railway line, reservoir or canal horizontally from the outer toe of edge bank or the outer edge of the cutting as the case may be and in case of a building horizontally from the plinth thereof. In the case of village roads no workings shall be carried on within a distance of 10 meters of the outer edge of the cutting except with the previous written permission of the Deputy Commissioner/Collector or any other officer duly authorised by the State Government in this behalf and otherwise than in

accordance with such directions, restrictions and additions, either general or special, which may be attached to such permission.

Explanation : For the purposes of this clause the expression 'Railways Administration' shall have the same meaning as it is defined to have in the Indian Railways Act, 1890, by clause (6) of section 3 of that Act. 'Public Road' shall mean a road which has been constructed by artificially surfaced as distinct from a tract resulting from repeated use. Village road will include any track shown in the Revenue records a village road.

Not to cut or injure trees in reserved forest, etc. without previous permission.

(6) Not to cut or injure any timber or tree on any unoccupied or unreserved land without the written permission of the Divisional Forest Officer nor without such permission from competent authority disturb the surface of any road or enter upon any public pleasure ground, burning or burial ground or any place held sacred by any clans of persons or Interfere with any right of way, well or tank.

Not to commence work in reserved forest without previous permission.

(7) Not to enter upon or commence prospecting in any protected or reserved forest situated upon the lands without obtaining the written sanction of the Divisional Forest Officer nor otherwise than in accordance with such conditions as may be prescribed in such sanction.

Indemnify Government and Grantor against all claims.

(8) To make reasonable satisfaction and pay such compensation as may be assessed by lawful authority in accordance with the law in force on the subject for all damage, injury, or disturbance which may be done by him in exercise of the powers granted by this licence and to indemnify and keep indemnified fully and completely the State Government and the Grantor against all claims which may be by any person or persons in respect of any such damage, injury or disturbance and all costs and expenses in connection therewith.

(9) To pay a wage not less than the minimum wage prescribed by the Central or State Government from time to time.

(10) To comply with the provisions of the Mines Act, 1952, Coal Mines Regulation 2017 and Coal Mines (Conservation and Development) Rules 1975.

(11) To take measures, at his own expense, for the protection of environment like planting of trees, reclamation of mined land, use of pollution-control devices, and such other measures as may be prescribed by the Central or State Government from time to time.

Forfeiture of security deposits, etc.

(12) Whenever the security deposit or any part thereof or any further sum hereafter deposited with the Grantor in replenishment thereof shall be forfeited or applied by the Grantor, pursuant to the power hereinafter declared in that behalf the licensee/licensees shall forthwith deposit with the grantor such further sum as may be sufficient with the unappropriated part

thereof to bring the amount in deposit with the grantor up to the sum agreed in the license as Security deposit.

Licensee not to be Controlled by trust, syndicate, etc.

(13) The licensee/licensees shall not be controlled or permit himself/themselves to be controlled by any trust, syndicate, corporation, firm or person except with the written consent of the grantor which will be given only after obtaining the prior approval of the Central Government in cases where prospecting licence executed is in respect of minerals included in the First Schedule to the Act and State Government in all other cases.

Report of accident

(14) The licensee/licensees without delay send to the Deputy Commissioner/Collector of the concerned District a report of any accident causing death or serious bodily injury or serious injury to property or seriously affecting or endangering life or property which may occur in the course of the operations under this licence.

Section 18 and 23C of the Act 67 of 1957

(15) The licensee/licensees shall be bound by such rules as may be issued by the Central Government under section 18 of the Mines and Minerals (Regulation and Development) Act, 1957 (67 of 1957) and those framed by the state Government under Section 23C of the said Act of 1957 and shall not carry on prospecting or other operations under the said licence in any way other than as prescribed under these rules.

To provide for weighing or measurement of material won

(16) At such times and occasions as may be required the licensee/licensees shall well and truly measure or weigh or cause to be measured or weighed upon some part of the said lands all minerals from time to time won from the said lands by the licensee/licensees and all such minerals as may require to be measured or weighed for the purpose of ascertaining the royalty or service fee payable under these presents shall be so measured or weighed. The licensee/licensees agrees/agree not to take away from the said lands any minerals so won until the same shall have been measured or weighed as the case may be. The licensee/licensees further agrees/agree to give..... days previous notice in writing to the grantor and the State Government of every such measuring or weighing in order that he or some person on his behalf may be present thereat.

Plugging of bore holes, fencing, etc., and restoring the surface of land after determination of abandonment.

(17) Save in the case of land over which the licensee/licensees shall have been granted a mining lease, on or before the expiration or sooner determination of the licence, he shall within six months next after the expiration or sooner determination of the licence or date of abandonment of the undertaking, whichever shall first occur, securely plug any bore or hole and fill up or fence any holes or excavations that may have been made in the lands to such an

extent as may be required by the grantor and shall to a like extent restore the surface of the land and all buildings there on which may have been damaged or destroyed in the course of prospecting provided that licensee/licensees shall not be required to restore the surface of the land, or any building in respect of which full and proper compensation has already been paid. The plugging of bore holes, fencing and other restoration activities shall also be intimated to the State Government, through the concerned Deputy Commissioner. The Licensee(s) shall permit the Deputy Commissioner or person authorized by him to physically inspect the premises to verify the claims made by the licensee(s).

Removal of machinery, etc. after expiration, determination of abandonment.

(18) Upon the expiration or sooner determination of this licence or the abandonment of the operations hereby licensed, whichever shall first occur, the licensee/licensees shall remove expeditiously at his/their own cost all buildings, structures, plant, engines machinery, implements, utensils and other property and effects theretofore, erected or brought by the licensee/licensees and then standing or being upon the said lands and also all minerals theretofore won by the licensee/licensees under the authority of these presents and then being upon the said lands PROVIDED that this covenant shall not apply to any part of the said lands which may be comprised in any mining lease granted to the licensee/licensees during the subsistence of this licence.

Report of work done before the refund of security deposits

(19) At any time before the said security deposit is returned to him/them or transferred to any other account or within one month after the expiration or sooner determination of the licence or abandonment of the operations whichever is earlier, the licensee/licensees shall submit to the grantor and the State Government confidentially a full report of the work done by him/them and disclose all information acquired by him them in the course of the operations carried on under this licence regarding the geology and mineral resources of the area covered by the licence.

Report of information obtained by Licensee;

(20A)(1) The licensee shall submit to grantor and State Government :

(a) a quarterly report of the work done by him stating the number of persons engaged and disclosing in full the geological, geophysical, or other valuable data collected by him during the period. The report shall be submitted within three months of the close of the period to which it relates;

(b) within three months of the expiry of the licence, or abandonment of operations or termination of the licence, whichever is earlier, a full report of the work done by him and all information relevant to mineral resources acquired by him in the course of prospecting operations in the area covered by the licence.

(2) While submitting reports under clause (1), the licensee may specify that the whole or any part of the report or data submitted by him shall be kept confidential and the State Government shall thereupon keep the specified portions as confidential for a period of two years from the expiry of the licence, or abandonment of operations or termination of the licence, whichever is earlier.

Employment of foreign nationals

(21) The licensee/licensees shall not employ, in connection with the prospecting operation any person who is not an Indian National except with the previous approval of the Central Government.

Furnishing of Geophysical data

(22) The licensee/licensees shall furnish :

(a) all geophysical data relating to prospecting or engineering and ground water surveys, such as anomaly maps, sections, plans, structures, contour maps, logging, collected by him/them during the course of prospecting operations to the Director General, Geological Survey of India, Calcutta;

(b) all information pertaining to investigations of radio active minerals collected by him/them during the course of prospecting operations to the Secretary to the Department of Atomic Energy, New Delhi.

Data or information referred to above shall be furnished every year reckoned from the date of commencement of the period of the prospecting licence.

PART-III
Powers of the Grantor

It is hereby agreed as follows:-

Cancellation of the licence and forfeiture of the deposit in case breach of conditions

(1) In the case of any breach of the condition of the licence/licences or his transferees or assignees, the grantor shall give a reasonable opportunity to the licensee/licensees of stating him/their case and where it is satisfied that the breach is such as cannot be remedied, on giving thirty days notice to the licensee/licensees or his transferees or assignees, determine the licence and or forfeit the whole or any part of the said deposit of Rs..... deposited under the covenants in that behalf as per the mutual agreement between the granor and the licensee. In case the grantor considers the breach to be of a remediable nature, it shall give notice to the licensee/licensees or his transferees or assignees as the case may be requiring him/them to remedy the breach within thirty days from the date of receipt of the notice informing him of the penalty proposed to be inflicted if such remedy is not made within such period.

Provided that before determination of the license, the grantor/grantor shall inform to the State Government, in writing, before 30 days i.e. simultaneous to the notice given to the licensee(s).

Application of security to payment of compensation

(2) That as mutually agreed between the parties to this license, the grantor may from time to time appropriate and apply the said deposit of Rs..... or any part thereof or any further sum deposited under any covenants in that behalf hereinbefore contained in or towards payment or satisfaction of any claims to compensation which the grantor has or may have against the licensee/licensees and/or which may be made by any person or persons against the licensee/licensees and or the grantor in respect of any damage or injury done by the licensee/licensees in exercise of any of the powers conferred by this licence and in or towards payment of any damages, costs or expenses which may become payable as the result of or in connection with any suits or proceedings which may be instituted against the grantor in respect of any such damage or injury and also in or towards payment of the expense of the carrying out or performance of any works or matters which the licensee/licensees shall fail to carry out or perform after the expiry or sooner determination of this licence or the abandonment of the operations hereby licensed in accordance with the covenants in that behalf hereinbefore contained or in payment or satisfaction of any such claims, damages, costs and expenses.

When the properties of licensee are not removed from the lands in time

(3) If any buildings, structures, plants, engines, machinery implements utensils or other property or effects or any minerals which ought to be removed by the licensee/licensees from the said lands, in accordance with the covenant in that behalf hereinbefore contained be not so removed within one calendar month after notice in writing requiring their removal shall have been given to the licensee/licensees by the grantor the same shall be deemed to become the property of the grantor and may be sold or disposed of for the benefit of the grantor in such manner as the grantor shall deem fit, without any liability to pay any compensation to account to licensee/licensees in respect thereof.

Licensee/licensees to pay for work done on his behalf

(4) If any of the works or matters which in accordance with the covenants in that behalf hereinbefore contained are to be carried out or performed by the licensee/licensees, be not so carried out or performed within the time specified In that behalf, the grantor may cause the same to be carried out or performed and the licensee/licensees shall pay the grantor on demand all expenses which shall be incurred in such carrying out or performance of the same.

Taking over of minerals by Government:

(5) In the event of the existence of a state of war or emergency (of which existence the appropriate Government shall be the sole judge and a notification to this effect in the official Government Gazette shall be conclusive proof) the State Government with the consent of the

Central Government shall from time to time and at all times during the said term have the right (to be exercised by a notice in writing to the licensee/licensees) forthwith take possession and control of the works, plant, machinery and premises of the licensee/licensees on or in connection with the said lands or the operations under this licence and during such possession or control, the licensee/licensees shall conform to and obey all directions given by or on behalf of the Central or State Government regarding the use of employment of such works, plants, premises and minerals, PROVIDED THAT fair compensation, which shall be determined in default of agreement by the State Government shall be paid to the licensee/licensees for all loss or damage sustained by him/them by reason or in consequence of the exercises of the powers conferred by this clause and PROVIDED ALSO that the exercise of such power shall not determine the said term hereby granted or affect the terms and provisions of these presents further than may be necessary to give effect to the provisions of this clause.

PART-IV

Rights of licensee/licensees

It is hereby further agreed as follows:-

Transfer of licence and fee payable

(1) During the subsistence of this licence or of any renewal thereof the licensee/licensees may, with the previous sanction of the Central Government and the State Government, transfer his/their licence or any right, title or interest therein to a person who has filed an affidavit stating that he has filed up-to-date income tax returns, paid income tax assessed on him and paid the income tax on the basis of self-assessment as provided in the Income Tax Act, 1961 (43 of 1961), on payment of a fee of five hundred rupees. Provided that no such transfer shall be permitted unless –

(i) the licensee has furnished an affidavit along with his application for transfer of the prospecting licence specifying therein the amount that he has already taken or propose to take as consideration from the transferee;

(ii) the transfer of the prospecting licence is to be made to a person or body directly undertaking prospecting operations.

Renewal of Prospecting Licence

(2) If the licensee/licensees be desirous of taking a renewed licence of the premises hereby demised or of any parts of that for a further term from the expiration of the term hereby granted and is otherwise eligible, he/they shall apply to the State Government through Grantor for renewal at least 90 days prior to the date of expiration of the term of licence under these covenants and shall pay the rents and royalties or service fee hereby reserved and shall observe and perform the several covenants and agreements herein contained and on the part of licensee/licensees to be observed and performed up to the expiration of the term hereby granted. The State Government on receipt of the application for renewal shall consider it in

accordance with relevant sections of the Act and relevant rules of the Mineral Concession Rules, 1960 and shall pass such orders as it may deem fit.

Right of the licensee/licensees for obtaining mining Lease

(3) On or before the determination of the licence or any renewal thereof, the licensee/licensees shall have a preferential right for obtaining a mining lease in respect of whole or part of that land over any other person, provided that the licensee/licensees has/have not committed any breach of the terms and conditions of the prospecting licence, has undertaken prospecting operations to establish mineral resources in such land and is otherwise a fit person for being granted the mining lease.

(3-A) If an application for renewal of the prospecting licence made in accordance with the rules is not disposed of by the State Government before the expiry of the licence, the licence shall be deemed to have been renewed for a period not exceeding the period prescribed for the renewal of prospecting licence under sub-section (2) of section 7 of the Act 67 of 1957 or the period for which the application is made, whichever is less.

Extension of period of prospecting licence

(4) If the licensee/licensees before the determination of this licence or of any renewal thereof applies/apply for the grant of a mining lease over the whole or any part of the said lands, the period of this licence shall be further extended over that part of the said lands, until his application for mining lease is disposed of or deemed to have been refused under sub-rule (1) or sub-rule (3), as the case may be, of rule 24 of the Mineral Concession Rules, 1960, or any other law in force. No fee shall be payable in respect of any period so extended.

Refund of deposit

(5) On such date within six calendar months after the determination of this licence or of any renewal thereof, and after compliance by the licensee/licensees of rule 16 of Mineral Concession Rules, 1960, the amount then remaining in deposit with the grantor and not required to be applied to any of the purposes in Part III of these presents mentioned, shall be refunded to the licensee/licensees or if the licensee(s) shall have obtained a mining lease over the said lands or any portion thereof, be retained at the credit of the licensee/licensees on account of the fees, rents and royalties to become payable under such lease. The amount shall in no case carry any interest whatsoever.

PART-V
General Provisions

It is lastly agreed as follows:-

Delay in fulfilment of the term of licence due to force majeure

(1) Failure on the part of the licensee/licensees to fulfil any of the terms and conditions of this licence shall not give the grantor any claim against him/them or be deemed a breach of

the licence in so far as such failure has arisen from force majeure. If the fulfilment of the licensee/licensees of any of the terms and conditions of this licence be delayed from force majeure, the period of such delay shall be added to the period fixed by this licence.

The expression force majeure means act of God, war, insurrection, riot, civil commotion, strike, tide tidal wave, storm, flood, lightning, explosion, fire, earthquake and any other happening which the licensee/licensees could not reasonably prevent or control.

Service of notices

(2) Every notice required to be given to the licensee/licensees shall be given in writing to such person as the licensee/licensees may appoint for the purpose of receiving such notices or if no such appointment is made then the notice shall be sent to the licensee/licensees by registered post addressed to him/them at the address shown in his/their application for the licence or at such other address in India as he/they designate from time to time and every such service shall be deemed to be proper and valid service upon the licensee/licensees and shall not be questioned or challenged by him. Vice-a-versa the same covenants shall apply for a notice to be given by the licensee(s) to the grantor or a person authorized in this behalf by the grantor.

Discovery of new minerals

(3) The licensee shall report to the grantor and State Government the discovery of any mineral not specified in the licence within a period of thirty days from the date of such discovery and shall not undertake any prospecting operations in respect of such mineral from the date of its discovery unless such mineral is included in the licence.

Immunity of State Government from liability to pay compensation

(4) If in any event the orders of the State Government are revised, reviewed or cancelled by the Central Government in pursuance of proceedings under Chapter VII of the Mineral Concession Rules, 1960, the licensee/licensees shall not be entitled to compensation for any loss sustained by the licensee/licensees from the state Government in exercise of the powers and privileges conferred upon him/them by these presents.

(5) The licence deed is executed at the Capital of the State of (Name of the State) and subject to the provision of article 226 of the Constitution of India it is hereby agreed upon by the licensee and the grantor that in the event of any dispute in relation to the area under prospecting licence, condition of the licence deed and in respect of all matters touching the relationship of the licensee and the grantor, suits of petitions shall be filed in civil courts at(name of the city) and it is hereby expressly agreed that neither party shall file a suit or appeal or bring any actions at any place other than the courts named above.

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

Grantor
Name and address
Signature

Licensee/Licensees
Name and address
Signature

Witness

Witness

SCHEDULE A

The land covered by the licence

(Here insert the description of lands with area, boundaries, names of District, Sub-Division, Thana, etc. and cadastral survey numbers, if any. In case a map is attached, refer the map in the description to be inserted.)

SCHEDULE B

Prospecting Fee

(Here specify the amount of the prospecting fee and the manner and time of payment)

SCHEDULE C

Royalty

1. Rates of royalty or service fee payable to State Government shall be as notified by the State Government
2. (a) Here insert the mode of arriving at sale prices at pits mouth of mineral/ minerals.
(b) The manner and time of payment of royalty or service fee