

GUIDELINES FOR FILLING & SUBMITTING NOTICES REGARDING RECONNAISSANCE PERMIT, PROSPECTING LICENCE, MINING LEASE & THEIR TRANSFERS

For the development of minerals and regulation of mines, Government of India framed the Act known as Mines & Minerals (Development & Regulation) Act, 1957. This act under its section 4(2) specifically says that "No reconnaissance permit, prospecting license or mining lease" shall be granted otherwise than in accordance with the provisions of this Act and the rules made there under.

Rules were framed under Section 18 of Mines and Minerals (Development and Regulation) Act, 1957. The Mineral Conservation and Development Rules, 1988 demands specific information through notices and returns. Why such information is required? What is its utility? And how this information is useful for framing National Policy Planning has been made amply clear in earlier lectures.

RECONNAISSANCE PERMIT

The grant of reconnaissance permit is carried out as per Mineral Concession Rules-1960 and Chapter II with Rule 4 to 7 spells out all formalities and aspects related with it.

Notices under MCDR, 1988

Under MCDR, 1988 the chapter- I A on Reconnaissance Operations deals with scheme of reconnaissance, modification in scheme of reconnaissance operations to be carried out, intimation of operation and submission of report about operations. For the said purpose to get clear information on operation at proper stages, Form AA & Form BB are to be submitted to IBM.

Notice of Commencement of Reconnaissance operations in Form AA

(Refer: Annexure 1)

It should reach within a period of 15 days of commencement of operation to CG, CoM & RCoM concerned. Important information required is of 2 types:-

- i) Factual & particulars like -Name of Mineral, Date of Grant of Permit, Name & Address of the Director-in-charge, Address of registered office, particulars of permit and date of commencement.
- ii) Technical information like Toposheet number, particulars of Geologist or Mining Engineer with qualification and nature of appointment. Information available through this form give fairly good information required at the stage of commencement of operation. Even after grant of permit if reconnaissance operations are started by the company and information through form AA is not given, there is no way out to know whether such important activity has been started in particular area for particular mineral.

Progress Report of Reconnaissance Survey in Form BB

(Refer: Annexure 2)

It is a yearly report after the expiry of every year which should reach within 30 days to CG, CoM, RCoM concerned. After giving basic particulars of the company this report contains more technical information on aerial, photogeological, geophysical, geochemical survey and such other data. Test of drilling, nature and structure of ore body and analysis of ore and minerals can give information about nature of prospects. The information made available through the yearly report (in form BB) gives technical information, which will have bearing on economics of prospect.

PROSPECTING OPERATION

The grants of prospecting licences are carried out as per Mineral concession Rules 1960 and Chapter III with Rules 8 to 2) spell out all formalities and aspects related with it.

Notices under MCDR-1988

Under MCDR, 1988 the chapter II covering Rules 4 to 8, on Prospecting Operations deal with scheme of prospecting, its modification if any, prospecting operations, intimation and report of operation, To get clear information at proper stages of prospecting; information is to be given to IBM through Form' A' & 'B'.

Notices of Commencement of Prospecting operations in Form' A'

(Refer: Annexure 3)

It should reach within a period of 15 days of commencement of operation to CG, CoM & RCoM concerned. Information under Column 1 to 4 is about factual and particular of mineral company, area and execution of PL. The information under Column 5 covers the details of location of PL area and under column 6 is about geologist and mining engineers engaged in prospecting operation. The date of

commencement of PL operation and above information given through form 'A' proves as most important link after execution of PL and actual operation at site.

Yearly Report of Prospecting operations carried out in Form 'B'

(Refer Annexure 4)

As per MCD Rule 8(1) (b), a yearly report in form '8' shall be submitted so as to reach within 30 days after the expiry of one year from the date of execution of PL or the expiry of PL whichever is earlier. When prospecting operations are abandoned, the report in Form 'B'- shall be submitted within a period of 30 days from the date of such abandonment. In case the prospecting operations continued for a period exceeding one year, a report in form 'B' shall be submitted once every year and the final report in form 'B' within a period of 3 months after the completion of the prospecting operations or the expiry of the prospecting license which is earlier.

The information required under item No.1 to 5 is similar to the information given in form 'A' and covers name of mineral, name and address of licence, location of PL area, and particulars of geologist and or mining engineers, in-charge of operation. The information required under item No.6 to 8 is mainly the factual and technical data related with prospecting work, which covers status of operation, area covered and under prospecting, completion of work under pitting, trenching, drilling, particulars of drilling machines, exploratory mining if any and number of samples analyzed.

The above said information received through form '8' is very important from the point of government, and any further action required to be taken with regards to betterment of prospecting work can be worked out at this stage.

Notice of intimation for opening/Reopening of mine/Change in the name of mine in Form 'C'

(Refer: Annexure 5)

As per rule 22 (1) of MCDR, 88 an intimation of an opening of the mine shall be given in form 'C' so as to reach to CG, CoM, & RCoM concerned within 15 days of such opening.

Rule 22(2) provides that the intimation in form 'c' sent to the Regional Controller of Mines under Rule 22(1) shall be accompanied with a copy of a mining plan approved under section 5(2) (b) of the Act only when mine is being opened after a lapse of 5 years period from the date of approval of mining plan.

As per Rule 25, an intimation of reopening of the mine after temporary discontinuance shall be given in form 'C' only so as to reach to CG, CoM and RCoM concerned within 15 days from the date of such opening.

In Rule 49, provision has been made about any change in the name of the mine shall be given in form 'C' so as to reach CG, CoM & RCoM concerned within 15 days from the date of such reopening.

Notice of intention of abandonment of mine or part/or temporary discontinuance of the mine in Form 'D'

(Refer: Annexure 6)

As per Rule 23(2), the owner, agent, mining engineer or manager of every mine shall send to CO, CoM & RCoM concerned under registered cover notice in form 'D' of his intention to abandon a mine or a part of the mine so as to reach them at least 90 days before the intended date of such abandonment.

Rule 23 (5) stipulates that where an abandonment takes place as a result of occurrence of natural calamity beyond control of the management a telegraphic intimation can be sent to CO, CoM & RCoM concerned within 24 hours of such abandonment in form 'D' be sent within a period of 15 days.

When work is discontinued for more than 60 days a notice of temporary discontinuance in form 'D' under Rule 24 should be given so as to reach within 75 days from the date of temporary discontinuance. The important items of information covered in form 'D' are-

- i) Reason for abandonment or temporary discontinuance.
- ii) Probable date of reopening.
- iii) Category wise reserves left out in ML.
- iv) No. of workers employed by the company and by Contractor at the time of abandonment, and
- v) Plans and section of M.L. at the time of abandonment.

Importance of Submission of notices

The above said notices in connection with reconnaissance operation, prospecting operation and mining operation are not only serve statutory requirement but the information gathered through such notices serves the purpose of better development of mining industry.

GUIDELINES FOR FILLING SUBMISSION OF MONTHLY RETURN AND ANNUAL RETURNS OF EXPLOSIVES WITH SPECIAL REFERENCE TO IRON ORE, GYPSUM, LIMESTONE, DOLOMITE, BAUXITE, MAGNESITE, BARYTES, ASBESTOS, GARNET, CHROMITE, MICA, GRAPHITE, OCHRE, QUARTZ AND OTHER MINERALS

As per rule 45 (1)(a) and (b) of MCDR, 1988. Mine Owner, Agent, Mining Engineer or Manager of every mine is required to submit the monthly return and annual return for the use of explosives respectively to the Controller General, Controller of Mines, Regional Controller of Mines and the State govt. concerned in respect of each mine as per category 'A' or 'B' specified in clause (b) of sub-rule (1) of rule .42 of MCDR, 1988 in the prescribed format within time specified in respect of such returns.

Category 'A' Mine

Fully mechanised category 'A' mines, which shall be such mines where the work is being carried out by deployment of heavy mining machinery for deep hole drilling, excavation, loading and transport.

Other than fully mechanised category 'A' mines, which shall be such mines where the number of Average employment exceeds 150 in all or 75 in U.G. or a mine where any of the mining operations like deep hole drilling, excavation, loading and transport is carried out with the help of heavy machinery.

In case of any other mine, referred to as category 'B' mine.

Average Employment

This means the average per day of the total employment of the mine during the preceding quarter (obtained by dividing the number of man days worked by the number of working days).

Monthly returns are required to be submitted before 15th of every month in respect of preceding month in the prescribed form. Whereas the annual return in form 'G' is required to be submitted before 1st July each year for the preceding year in respect of mines using explosives.

Submission of monthly return Category 'A' mine

In respect of category A mines, the monthly returns for Iron ore mines is required to be submitted in form F-1, in respect of Bauxite mine in form F-3, for Chromite mine in form F-4, Mica mine in form F-6, Manganese mine in form F-2, for Copper, Lead, Zinc, Pyrites, Gold and Tungsten in form F -5, for precious and semi-precious stones in form F -7 and for all other minerals in form F -8.

Category 'B' mine

Monthly returns are required to be submitted in form F -9 for all minerals.

Annual return for explosives

In respect of mines using explosives, the annual return is to be submitted in form 'G'.

Monthly returns contain two parts.

- 1) Part I - General & Labour
- 2) Part II - Production, Despatch and stocks.

In Part-I, location of the mine, name and address of the lessee/owner, rent and royalty paid, no. of days the mine worked, reasons for work stoppage in the mine, average daily employment and labour and wages paid for direct labour as well as contract labour, salaries paid to technical and supervisory staff employed in the mines.

In Part II, type of ore produced, production and stock of ROM at mine head, which contains opening stock and closing stock at opencast workings as well as dump workings, gradewise production and dispatches and stock of processed ore wherein opening stock at mine head, production, dispatch from mine head, closing stock at mine head and pits mouth value (PMV) in rupees per tonne required to be furnished. It also contains sale, dispatches effected for domestic consumption and for exports, whether if any quantity and sale value in rupees for domestic consumption and country quantity and FOB value in rupees for exports are required to be furnished. In the last column of the part-II, reasons for increase or decrease in production, if any during the month compared to the previous month is required to be furnished.

It is also to be certified that the information furnished in Part I & II is correct and complete in all respect. At the end, it is to be signed by the owner/agent/Mining engineer or Manager of the mine giving his full name with designation, place and date. Part I is common for all the minerals, in case of category 'A' mines.

Part-II for Category 'A' mines -

In respect of monthly return for Iron Ore mines, which required to be submitted in form F-1, while furnishing the information regarding gradewise production, despatch and stock of processed ore, percentage of Fe content ore containing lumps and fines separately is required.

Lumps are classified into four categories as follows-

- a) Below 60%
- b) 60% to below 62%
- c) 62% to below 65%
- d) 65% and above.

Fines are also classified into four categories as follows:

- a) Below 62%
- b) 62% to below 65%
- c) 65% and above
- d) Concentrates / pellets / Sinters.

For Manganese ore, monthly return is required to be submitted in form F-2. For this ore in Part-II, gradewise production, despatch and stock of processed ore are to be given indicating percentage of Mn content as follows:

- a) Below 25%
- b) 25% to below 35%
- c) 35% to below 45%
- d) 45% and above and
- e) Di-oxide ore.

Monthly return for Bauxite ore is required to be submitted in form F-3 wherein gradewise production, despatch and stock of processed ore are to be given indicating percentage of Al_2O_3 content as follows:

- a) Below 40%
- b) 40% to below 45%
- c) 45% to below 50%
- d) 50% to below 55%
- e) 55% to below 60%
- f) 60% and above

For Chromite Ore, monthly return is required to be submitted in form F-4 in respect of chromite gradewise production; despatch and stock of processed ore are to be given indicating percentage of Cr_2O_3 content as follows:

- Lumps -
- a) Below 30%
 - b) 30% to below 40%
 - c) 40% to below 47%
 - d) 47% to below 52%
 - e) 52% and above.

- Fines -
- a) Below 30%
 - b) 30% to below 40%
 - c) 40% to below 47%
 - d) 47% to below 52%
 - e) 52% and above.

Monthly return in form F-5 is required to be submitted in respect of Copper, Lead, Zinc, Pyrites, Gold and Tungsten. The Monthly return for these minerals is somewhat different than the minerals described earlier. The first column of the part-II is Production and Stock of ROM ore, which divided into three parts i.e. Opening stock, production and closing stock. Each item is further sub-divided into two parts i.e. quantity and metal content/grade. If it is underground working, where the production is from

development or stopping is required to be reported. In the second column, pit mouth value for the ore produced is to be reported. The third column is for recovery at concentrator /mill/plant wherein quantity in tones and value in rupees is to be reported. This item is divided into three parts i.e. Opening stock of ore at the concentrator /plant, ore received from the mine and ore treated. Each item is sub-divided into two i.e. Quantity and Metal content/grade. Regarding concentrates, quantity, value and metal content/ grade are required to be reported in case of any bleaching method adopted. Quantity recovered and grade content separately is required to be given. Regarding tailings, quantity and metal content/ grade is to be reported. In the closing stock, stocks of concentrates at the concentrator/plant, quantity and metal content/grade is to be mentioned. The fourth item of the part-II in respect of these minerals is recovery at the smelter/lease/plant. This is divided into 8 parts:

- 1) Opening stocks of concentrates at the smelter/plant.
- 2) Concentrates received from concentrator/plant.
- 3) Concentrates received from other sources (to be specified)
- 4) Concentrates sold, if any.
- 5) Concentrates treated
- 6) Metals recovered
- 7) Other by-products, if any recovered and
- 8) Closing stock of concentrates at the smelter/plant.

The above five parts are sub-divided into two i.e. Quantity and Metal Content/ Grade whereas remaining three are sub-divided into two parts as Quantity & Value grade.

Item 5 deals with the Sales during month wherein Opening Stock of Metal/Products Quantity and Gradewise, Place of Sale, Metals/Products Sold including Quantity, Grade and Value. Closing Stocks of Metals/Products reporting quantity and value is also required to be given. As all these minerals are important, other details are required to be given i.e. Category-wise break-up viz. blister, fire refined copper, cathodes, electrolytic copper wirebars, lead ingots, zinc ingots, zinc cathodes, zinc dross, gold, tungsten etc. Ex-plant sale value including exercise duty but excluding other taxes is also necessary to be given. Category-wise break- up of metals and other products sold is also to be reported.

In respect of Mica, monthly return is required to be submitted in form F-6. Part-II of this return i.e. Production, Despatch and Stock contains only one item wherein Production, Despatch and Stock of crude and dressed mica is required to be reported in Kilograms. This is divided into four parts i.e. (a) Opening Stock (b) Production (c) Despatch (d) Closing Stock. The information in all these headings is required to be given as follows:

- (i) Crude (R.O.M.)
- (ii) S.D.B (Scissor Dressed Block)
- (iii) K.D.B. (Knife Dressed Block)
- (iv) Chillas (Fines)
- (v) Condenser Films
- (vi) Waste Scrap mica obtained incidental to mining
- (vii) Waste/Mica obtained after preliminary dressing at mine site.

While reporting the Opening stock at the beginning of the month, it is reported (1) at mine site, (2) at dressing unit (3) at any other point. While giving the 'production where it is from underground mining or opencast mining or from dump working to be specified. In case of Despatch, it is to be clearly specified whether it is for dressing or sale. While reporting the Closing stock whether it is at Mine site or at dressing unit; or at any other point to be specified.

Pit's mouth value in Rs. Per Kilogram should be estimated for all crude mica produced during the month whether sold or not on the basis of average sale price obtainable for crude in the market. To arrive at the pits mouth value from this notional sale price, the cost of transport from the mine head to the market or factory and any other incidental charges may be deducted.

Monthly return in form F-7 is required to be submitted in respect of Precious & Semi-precious Stones. In this monthly return, Part-II contains R.O.M. production whether it is for Opencast or Underground. In case of different type of R.O.M. production, separate figures should be furnished for each type of R.O.M. indicating in each case, the appropriate unit of quantity. In case of Gem variety, whether it is rough and uncut stone ore cut and polished stone are required to be reported by number of stones with quantity having appropriate unit of quantity i.e. carats, grams, Milligrams etc as the case may be. In case of

industrial and other varieties also, the Production, Stock and Despatch is required to be reported in number of stones with quantity, the stones disposed off during the month by auction or sale. It is also required to be given, as discussed above, in respect of Internal Consumer, Exporter/Foreign buyers and Middlemen separately. Sale value at the pits head of the total stones (all varieties) produced during the month is to be given. It should be estimated for all the stones produced during the month whether sold or not on the basis of average sale price obtained for sales made during the month. In case no sales are made ex-pit head, the average pit head sale value should be arrived at after deducting the actual expenses incurred from the pit head to the point of sale, from the sale price realised. Reasons for decrease or increase in output during the month as compared to be previous month is required to be given.

In respect of all other minerals, other than discussed above, monthly return in form F-8 is required to be submitted. In the Part-II of this return, while reporting the Production, Opening Stock and Closing stock whether it is from opencast workings, underground workings or dump workings should be specified. Grades are to be classified as per the royalty rates and PMV value is to be given in rupees per tonne. In case of Limestone grades, whether it is (a) LD, (b) SMS/Chemical and (c) BF/Cement is required to be mentioned. In case of mineral produced is being pulverized in own factory, the information in following particulars is required: -

(i) Grade

(ii) Total Quantity of mineral pulverized in tones

(iii) Total Quantity of pulverized mineral produced (for each mesh size) in tonnage

(iv) Total Quantity of mineral sold during the year -It is to be reported mesh size in quantity in tonnage with ex-factory sale value in rupees.

Average cost of pulverization in rupees per tonne is to be furnished. Regarding sales, despatch effected for domestic consumption and exports, the information to be furnished gradewise. For domestic consumption, the consignee, quantity and sale value is required to be given while for export, country quantity, FOB value is required to be given.

Category 'B' Mines

In respect of 'B' category mines, the monthly return is required to be submitted in form F-9 in respect of all minerals. In this monthly return also information is to be furnished in Part-I and Part-II. In Part-I, there is no change as compared to category 'A' mine except reasons for work stoppage in the mine, which is not, required in case of 'B' category mines. In Part-II, the information for R.O.M. and ore processed or sorted gradewise is to be furnished as per the following heads:-

a) Opening Stock at mine head,

b) Production

c) Pit Mouth Value

d) Despatches from Mine

(i) For Domestic Consumption -Quantity in tonnes and sale value in Rs.

(ii) For Export -Quantity in tones and sale value in Rs.

e) Closing Stock at mine head.

Pit's Mouth Value

The Pit's Mouth Value should represent the sale value of the mineral at the pit head. In case of sales effected on F.O.R. or F.G.B. or any other basis, pit head sale value should be arrived at after deducting all the expenses incurred from mine to railway station or port or other point of sale, as the case may be (such as expenses on transportation, loading and unloading charges, railway, freight, sampling and analysis, port handling, export duty, cess etc.)

In case of captive mines, cost of production may be considered to represent the Pit's mouth value.

The Pit's mouth value may be indicated in respect of each grade of ore sold in accordance with definition. In case, there is no sale of a particular grade or grades produced during the period, the sale value of each grade in any of the immediate earlier period may be indicted.

F.O.R. -Free on Rail

F.O.B. -Free on Board

Production

In case of mines producing more than one mineral from the same mine, a combined return (except production part) may be submitted for all such minerals. However, production part of the return may be submitted separately for each mineral in the prescribed formats.

General Instructions:

1. Do not leave any column blank. In case information is 'nil', in respect of any item(s) or certain item(s) are 'not applicable', the same should be indicated against all such items. For any clarification/instructions, consult the Controller General, Indian Bureau of Mines, Nagpur.
2. If more than one mineral is produced from the same mine, indicate the names of all the minerals produced.
3. The return is to be submitted even during the period of discontinuance of mine furnishing necessary information inclusive of 'Nil' information.
4. In case ownership of mine changed during the reference period, separate returns have to be filled-up by each for the respective periods of ownership.

Form 'G' -Annual returns for the use of explosive

The annual return in respect of mines using explosives is required to be submitted in form 'G'. The annual return for the explosives should indicate -

- (i) Consumption of explosive for the year and
- (ii) Estimated requirement of explosives in the next year.

In this annual return, name of the mineral worked, name of the mine, location of the mine indicating Village, Post office, Tahsil, District, Pincode, Name and Address of the Lessee/Owner, licenced capacity of magazine, Total production during the year and Total overburden removed is required to be reported. While furnishing the information regarding explosive, the classification wise information in the tabular form in respect of quantity consumed during the year and estimated requirement during the next year. Reporting separate figures for small dia. (upto 32mm) and large dia. (above 32 mm) is required to be furnished. The explosives are classified as follows:

- (i) Gun Powder -
- (ii) Nitrate Mixture -
 - (a) Loose ammonium nitrate
 - (b) Ammonium nitrate in cartridge form
- (iii) Nitro Compound
- (iv) Liquid Oxygen soaked cartridges
- (v) Slurry explosives (different trade names)
- (vi) Detonators -
 - (a) Ordinary
 - (b) Electrical -
 - (i) Ordinary
 - (ii) Delay
- (vii) Fuse -
 - (a) Safety fuse
 - (b) Detonating fuse
- (viii) Plastic ignition cord
- (ix) Others

Different size of soaked liquid oxygen cartridges to be converted to equivalent Kgs. as per the manufacturers instructions.

GUIDELINES FOR FILLING UP OF MCDR ANNUAL RETURNS

A. Introduction

1. The Mineral Conservation and Development Rules, 1988 framed under Section 18 of the

Mines and Minerals (Development and Regulation) Act, 1957 prescribes under Rule 45(c), annual collection of information as per prescribed returns to be filled in and submitted by the mine owners in respect of each individual mine to the authorities namely, the Controller General, the Controller of Mines and the Regional Controller of Mines, Indian Bureau of Mines as notified under Rule 62 of MCDR 1988. Copy of the return meant for State Government should be addressed to the Director of Geology & Mining or any other authority as specified by the State Government from time to time. The envelope containing the MCDR returns to be furnished to the office of the Controller General, Indian Bureau of Mines, Nagpur may be superscribed as indicated below:

MCDR RETURNS
Attention: Chief of Mining and Mineral Statistics

2. Information furnished in the annual return should relate to the financial year (April to March). The due date for submission of annual return is before 1st July each year. The return complete in all respect should be furnished before 1st July each year for the preceding financial year.
3. In case of change in ownership of a mine during the reference year, furnish separate return for the respective periods of ownership.
4. Mining activity for the purpose of furnishing information in the returns comprises all Exploration and development activities at the mine site relating to current or future production. Any ore processing or beneficiation plants attached to the mine whether located at the mine site or outside should be included as part of the mining activity. Transportation within the mine site, repairs and maintenance of plant, machinery and transport equipment etc. connected with mining should be included as an integral part of the mining activity.
5. In case of mines producing more than one mineral from the same mine, a combined return (Except Part-V) may be submitted for all such minerals. However, Part-V of the return relating to production, despatches, stocks and sales of minerals should be submitted separately for each mineral in the format prescribed under respective mineral i.e. H-1 for Iron ore, H-2 for Manganese ore etc. upto H-8 for category 'A' mines and in form H-9 for category 'B' mines for all minerals. The categories 'A' and 'B' have been defined under Rule 42 of MCDR 1988, under which mechanised mines and mines employing more than 75 persons in under ground and 150 in all have been categorized as 'A' and the rest of the mines fall under 'B' category.
6. For proper identification of the minerals, the names of primary or principal minerals should be shown against item (i) and other associated minerals produced from the same mine should be shown against item (iii) in the beginning of the return.
7. Information is sought to be collected in the Annual Return consisting of seven parts under the following major heads:

Part	Description
I	General, Location, Ownership and Lease details
II	Employment and Wages
II A	capital Structure
III	Consumption of Materials
IV	General Geology and Mining
V	Production, Despatches and Stocks
VI	Cost of Production

Part-I: General, Location, Ownership and Lease details

1. Details of location of mine and particulars of lessee, agent and other mining personnel are of general nature and are self-explanatory.
2. Lease and Area operated
 - a. Furnish information on lease area, date of execution, period of lease, renewal etc. under forest and outside forest as per the Forest (Conservation) Act for each lease; separately. In case there are more than one lease covered in the same mine, furnish above details for each lease area separately.

- b. If there are more than one mine in the same lease area, indicate name of other mines and mineral(s) produced. In such cases, furnish separate return for each mine.
- c. If the State Government itself is the owner of the mine, the name of the State Government as well as the name and address of the exploiting agency should be indicated.
- d. If the State Government itself is the owner of the mine, indicate the area of operation.
- e. In case the lease is expired and not renewed or applied for renewal but mine is not closed, clarify whether the mine is working under Working Permit.

3. Lease Area Utilisation

- a. The break-up of utilisation of lease area should be furnished separately for each lease area under different heads.
- b. If there are more than one mine in the same lease area, furnish details of lease area utilisation in one of the mines' return with suitable cross reference in other mines' returns.
- c. Area utilised for afforestation/plantation may also be specified wherever applicable.

Part-II: Employment and Wages

1. Technical and Supervisory Staff

- a. Any of the technical and supervisory staff employed exclusively in a mine are treated as wholly employed and the number of such persons should be shown under col. 2 for each of the categories specified under col. 1 of the item.
- b. Such of the technical and supervisory staff who are employed in two or more mines are to be treated as partly employed and the number of such persons should be shown under col.3 for each of the categories specified under col. 1 of the item.
- c. The category of persons under other administrative, clerical and technical supervisory staff are same as maintained and reported under Rules 4 and 5 of the Metalliferous Mines Regulations, 1961.

2. No. of shifts, Production days and Work stoppage

- a. Furnish information on number of days the mine worked and the number of shifts per day.
- b. Work Stoppage: Work stoppage in mines means cessation of work for whatever cause, with an intention to recommence the mining activity at a future date. The total period of work stoppage should be given separately for each of the reasons illustrated: Strike, Lockout, Monsoon, Non-availability of labour, Transport bottleneck, Lack of demand, Operations becoming uneconomic, Rock burst/Landslide, Flooding of mine, Cyclone, Fire, Earthquake, Power cut, Less/More Recovery etc. While giving the number of days of work stoppage for the reasons specified, it should be ensured that the number of regular holidays including the paid holidays are not considered.

3. Labour and Wages

- a. Give the date and month on the day of maximum employment in working under ground and also in all in the mine.
- b. Mandays worked: Total number of Mandays worked is obtained by adding the daily attendance for the whole period.
- c. Average daily employment: It is obtained by dividing the number of man days worked by the number of working days. The total shown in column (4C) should agree with the quotient obtained by dividing the total shown in column (2C) by the number of working days shown in column(3).
- d. Wages: Wages include gross wages paid during the period including wages paid for the leave period and paid holidays, dearness and compensatory allowances, house rent, over time, shift and other allowances.
- e. Place-wise Employment: Under "Others" in the case of below ground and opencast working, furnish number of persons employed in the removal of overburden. Do not include such persons under "Miners and Loaders" or "Face Workers and Loaders".
- f. Direct labours are those who are engaged and paid directly by the mine owners.
- g. Contract labour is defined as in Clause (b) of Section 2(1) of the Contract Labour (Regulation & Abolition) Act, 1970, viz. "A workman shall be deemed to be employed as 'contract labour' in or in connection with the work of an establishment when he is hired in or in connection with such work by or through a contractor, with or without the knowledge of the principal employer." Under the same Section, the "Contractor" is defined in Clause (c) as follows:
Contractor in relation to an establishment means the person who undertakes to produce a given result for the establishment, other than a mere supply of goods or articles of manufacture to such establishment, through

contract labour or who supplies contract labour for any work of the establishment and includes a sub-contract.

h. Salaries: The gross salaries paid during the year to the technical and supervisory staff not covered in item 3(1) should be reported under sub-item 3(2). Gross salaries include salaries payable for leave periods and paid holidays, dearness allowances, regular bonus such as production bonus, other bonuses such as profit sharing, festival, year-end bonuses etc., imputed value of individual benefits offered in kind more or less regularly in the form of concessions in respect of transport, fuels, accommodation, electricity, water, etc. However, it is subject to the guidelines and circular issued by the Income Tax Authorities. In the case of partly employed technical and supervisory staff, the share to be allocated to a mine may be in proportion to the value of mineral production of each mine during the year.

Part-II A: Capital Structure

Part-II A on Capital Structure has been re-introduced as per G.S.R 55(E) dated 17.1.2000 in respect of category 'A' mines.

In case the fixed assets are common to more than one mine, furnish combined information for all such mines together in anyone of the mines return and also indicate the names of other mines in which the information relates in the format provided in Part-II A. In the returns for other mines, give only a cross reference to the particular mine's return wherein the information is included.

Part-III: Consumption of Materials

1. Quantity and Cost of Materials consumed: Where a mine owner is operating more than one mine and is not in a position to furnish the quantity and the cost of material consumed for individual mine, consolidated information in respect of consumables for the group of mines may be furnished in the return of one of the mines giving identification particulars of the other mines to which the data relate; However, these figures should not be repeated in other mines' returns. Instead, cross reference should be given in those returns.

2. Royalty and Rent

a. Furnish amount paid to the government towards royalty, dead rent and surface rent for the current year and also for the past year separately.

b. Royalty is considered as share to a State Government in the value of mineral extracted by a lessee. After a mining lease is obtained, a lessee has to pay royalty at the rate stipulated on the quantity despatched for consumption or export. The rate of royalty has been fixed on tonnage/ad valorem basis for all recoverable minerals.

c. Dead rent is the minimum royalty a lessee has to pay to the concerned State Government. Dead rent is payable only from the second year of the lease, if the lease area remains unexploited. No Dead rent is charged in the first year of the lease, although royalty becomes payable in the very first year if mining operations have commenced and some quantities have been produced.

d. Surface rent is levied in addition to royalty or dead rent on the area used for actual mining operations out of the total lease area.

3. Depreciation: Depreciation is defined as capital cost allowance. To commence mining and to keep a mine running, a long list of machinery and spares is required. These machinery have limited years of life, and required replacement. Hence certain annual deductions on the capital expenditure computed on a diminishing balance basis as depreciation allowance from the gross income for the purpose of computing income tax are provided.

4. Taxes and Cess

a. Amount paid to Central government and to the state government towards sales tax, welfare cess, mineral cess, cess on dead rent and others may be furnished in this item.

b. In some of the States land tax, mineral right tax; Z.P. Cess, development cess etc. are being collected. The same may be shown under "Others" if applicable.

5. Other expenses

Other expenses includes Overheads, Maintenance of plant and machinery, Money value of benefits paid to workmen and payment made to professional agencies which are mentioned below:

a. Overhead Cost: It includes Welfare amenities, Office expenses including Head Office expenses allocable to the mine, Contingency, Sampling and Marketing expenses, Salaries of Technical and supervisory staff not directly connected with mining and not covered under mining and other miscellaneous expenses such as Advertisements, Publicity, etc.

b. Maintenance: Cost incurred towards maintenance and repairs of buildings and machinery may be reported under this head.

c. Money Value of Benefits to Workmen: This includes retirement/retrenchment benefit, welfare amenities, bonus and supply of protective equipment.

d. Payment to Professional agencies: Payments made for industrial services such as carrying out repairs and maintenance, technical consultancy and chemical analysis, etc. carried out by outside agencies, and for non-industrial services such as legal audit services etc. utilised by the mine should be reported.

Part-V: Production, Despatches and Stocks

1. Part V of annual return is prescribed separately for individual mineral or for a group of minerals for 'A' category mines (fully mechanised and/or having employment more than 150 persons in all, or 75 persons below ground). Various forms specified for different minerals and according to category of mines are as given below:

a. Iron ore H-1

b. Manganese ore H-2

c. Bauxite H-3

d. Chromite H-4

e. Copper, Gold, Lead, Pyrites, Tungsten, Tin and Zinc in Form H-5

f. Mica in form H-6

g. Precious and Semi-precious stones such as Agate, Aquamarine, Corundum, Garnet(gem), Diamond, Ruby and Emerald in form H- 7

h. Other Minerals H-8.

In respect of 'B' category mines of all minerals, annual return should be submitted in Form H-9. Data should be furnished in the particular form(s) applicable. As already indicated above, in case of mines which produce more than one mineral from the same mine, data relating to each such mineral produced should be furnished separately in the appropriate forms. .

2. ROM Ore Production: Furnish production and stocks of ROM Ore at various places of working such as underground, opencast and dump working.

3. Processed Ore Production -I

a. Data on grade-wise production, despatches and stocks of different minerals relate to average grade of the different products raised during the year. In case more than one distinct grade of ore/mineral is produced/despached/stocked, the quantities of the respective grades should be furnished in the corresponding columns of range of grades specified at the top of these columns.

b. Information on opening stock, production, despatches from the mine, closing stock and pit's mouth value (PMV) is required to be furnished in respect of the grades applicable to the mineral produced from the mines. A copy of the list of grades of all minerals is attached in this manual for reference.

c. The form H-9 is applicable to all category 'B' mines. Details of production, stocks, despatches and PMV are also required to be furnished in respect of these categories of mines as per the grades given in this manual.

d. While giving figures on stocks, production and despatches it may be ensured that opening stock at the mine head plus production minus total despatches (including sales at the mine head) tallies with the closing stock at the mine head for each grade.

OR

Opening Stock at mine head + Production -Despatches from Closing Stock at mine head.

If for any reason(s) these equations do not hold good for some particular grade(s) on account of either loss of ore, blending of ore or any other reasons, it should be indicated.

e. Pit's mouth value: Pit's mouth value should represent the sale value of the at the pit head. In case of sales effected on FOR or FOB or any other basis, pit head sales value should be arrived at after deducting all the expenses incurred from the mine to railway station or port or other point of sale, as the case may be (such as expenses on transportation, loading and unloading charges, railway freight, sampling and analysis, port handling, export duty, cess etc.). The pit's mouth value should be indicated in respect of each grade of ore sold in accordance with the above definition. In case there is no sale of a particular grade or grades of mineral during the month, the sale value of each grade in the preceding period may be indicated. While doing so, the prevailing sale prices in the region may also be referred to.

In arriving at such pit-head value on the basis of say F.O.R./F.O.B./F.O.B.T. price, the deductible items may comprise one or more of the charges relating to such operations as:

- a. Loading at mine site
- b. Transport from mine-site to the rail head/consuming centre
- c. Unloading at rail-head./consuming centre
- d. Loading into wagons
- e. Transport from railway station to port or from mine to port
- f. Railway freight
- g. Sampling and analysis
- h. Rent of the plot at the staking yard
- i. Port handling charges
- j. Export duty
- k. Stevedoring and Trimming
- l. Other incidental charges levied outside the mine-site.

It may, however, be noted that, for the purpose of deriving pit head value from F.O.R./F.O.B./F.O.B.T. prices only such costs which are incurred outside the mine-site are to be deducted, and costs of normal processing/transport operations carried out within the mine-site which form an integral part of production operations are not to be deducted for arriving at the pit-head value.

So far as the captive mines are concerned the cost of production may be considered to represent the average Pit's Mouth Value.

4. Sales/Despatches for Domestic Consumption and Export

a. Furnish quantity and sale value (FOR price) of mineral consignee-wise for each grade. FOR means the price per unit weight of minerals loaded into the wagon at the loading station. It includes price of the minerals at the pit-head plus the transport charge, upto the rail head, the rent of the plot for staking at the railway yard and the loading charge, into the wagon.

b. Furnish quantity and FOB value of mineral country-wise for each grade When a mineral is to enter the international market, prices are quoted on the basis of FOB, FAS, FOBT or CIP. The FOB (Free on Board) price includes the FOR plus the railway freight to the port, port handling charges, export duty and some incidental charges like analysis of ore.

c. The sale value or the FOB value indicates the actual value realised towards sale/despaches at the sale point.

d. The sale value and FOB value to be furnished in this item includes the following:

-Sale Value at Mine head (PMV)

-Transportation cost from mine head to the sale point.

-Loading and Unloading charges.

-Port Charges including export duty and other charges leviable at port head.

-Cess and other levies etc.

e. In case the ore/mineral is sold/despached for internal consumption/export after blending one or more grades of ore produced, the average grade(s) of such blended ore should be indicated in the column "Grades" while furnishing data under the item 'Sales/Despatches for internal consumption/export'.

f. In the case of captive mines, the notional value as entered in the books of the plants/factories for the ore/mineral received from the captive mines may be reported under column "Total sale value realised". Otherwise cost of production may be considered to represent the pit's mouth value.

5. Reasons for Increase/Decrease in Production

Furnish reasons for increase or decrease in production as the case may be, during the Current year as compared to the preceding year. The reasons may be Strike, Lockout, Monsoon, Non-availability of labour, Transport bottleneck, Lack of demand, Operations becoming uneconomic, Overburden removal/Developmental work, Rock burst/Landslide, Flooding of mine, Cyclone, Fire, Earthquake, Power cut, Less/More Recovery, as per Demand/Requirement etc.

6. Information specific to Base metals (Form H-5):-

a. In the case of minerals such as copper, gold, lead, pyrites, tungsten, tin and zinc pertaining to form H-5, furnish grades of metals in the ore/concentrates in gram/tonne for gold and in percentage for other metals such as copper, lead, pyrites, tin, tungsten and zinc. The corresponding metal content is computed in IBM Head Quarter using suitable software.

- b.
- c. Furnish quantity and value of concentrates produced during the year.
- d. Furnish quantity and value of metals and by-products recovered during the year.
- e. Furnish quantity and value of metals and by-products sold during the year.

Part VI: Cost of Production

1. Direct Cost

- a. Exploration: This includes cost towards exploration carried out within the leasehold area.
- b. Mining: Mining includes Development Drilling, Blasting, Loading, Transports, Handling within lease area, Repairs and Maintenance of Plant, Machinery and Transport equipment etc, connected with mining: Hand sorting and Sizing, Compensation for felling trees, Salaries of Technical and Supervisory staff directly connected with mining.
- c. Beneficiation: Ore as mined consists of a mixture of minerals comprising both wanted and unwanted minerals. These are not directly usable by any consumer and hence need processing. The valuable minerals are required to be separated from gangue. Differences in physical properties of minerals are taken advantage for this separation. The following beneficiation techniques are employed with specific objective of upgrading the ores to desired limit for meeting the demands of consumer industries:

- Gravity separation,
- Magnetic separation,
- Flotation,
- Electro-static separation

Mine owners are required to furnish beneficiation cost per tonne of processed ore in this column.

2. Overhead Cost: It includes Welfare amenities, Office expenses including Head Office expenses allocable to the mine, Contingency, Sampling and marketing expenses, Salaries of Technical and supervisory staff not directly connected with mining and not covered under item 1(b) above and other miscellaneous expenses such as Advertisements, Publicity etc.

4. Depreciation: Depreciation allowed, vide Rule 5 of Income Tax Rules, 1962 as in force from the 1st day of April, 1970 in respect of Plant and Machinery generally used in mining industry is as under:

Type of machinery	on written down Value basis
A. Mines and Quarries (No extra shift allowance allowed)	
a. Surface and Underground machinery (other than electrical machinery, boiler and portable under-ground machinery), headgear and moving parts and rails.	15%
b. Portable underground machinery and earth moving machinery used in opencast mining.	30%
c. Rope way structures: rope ways, ropes and trestle sheaves and connected parts.	30%
d. Tubs, winding ropes, haulage, ropes and sand stowing pipes.	100%
e. Safety Lamps	100%
f. All other items like boilers and headgears (excluding moving parts), shafts and inclines and trams ways on the surface.	10%

5. Interest: This should include the amount paid to outside agencies during the year for any item of fixed assets for use in the mine or group of mines under the same concern taken on rental/lease basis, e.g. rents paid for machinery, plant, equipment for hiring or taking on lease.

6. Royalty: Royalty is considered as share to a State Government in the value of mineral extracted by a lessee. After a mining lease is obtained, a lessee has to pay royalty at the rate stipulated on the quantity despatched for consumption or export. The rate of royalty has been fixed on tonnage/ad valorem basis for all recoverable minerals. Furnish average royalty paid per tonne in this column.
7. Taxes: Furnish average taxes paid per tonne to central, state and local bodies.
8. Dead Rent: Amount paid towards dead rent for the year per tonne may be furnished.
9. Others: In case of other expenses not included in any -of the above noted items may be furnished here.

GUIDELINES FOR SUBMISSION OF RETURNS

A. Authority to whom to be sent:

The Owner, Agent, Manager or Mining Engineer shall submit to the (i) Controller General, Indian Bureau of Mines, Nagpur, (ii) the concerned Controller of Mines and the Regional Controller of Mines, as notified from time to time under Rule 62 of Mineral Conservation and Development Rules, 1988 and (iii) the State Government concerned:

- (a) Monthly Return in Form-F
- (b) Annual Return in Form-G, and
- (c) Annual Return in Form-H.

B. Time Schedule:

1. Monthly Returns in Form-F: Before 15th day of every month in respect of preceding month.
2. Annual Return in Form-G: Before 1st July each year for the preceding financial year in respect of mines using explosives.
3. Annual Return in Form-H: Before 1st July each year for the preceding financial year.

C. General Instructions:

1. Do not leave any column blank. In case information is 'Nil' in respect of any item(s) or certain item(s) are 'Not applicable' the same should be indicated against all such items. For any clarification/instructions, consult the Controller General, Indian Bureau of Mines, Nagpur.
2. If more than one mineral is produced from the same mine, indicate the names of all the minerals produced.
3. The return is to be submitted even during the period of discontinuance, furnishing necessary information inclusive of 'NIL' information.
4. In case ownership of the mine changed during the reference period, separate returns have to be filled by each for the respective periods of ownership.

D. Lease Details:

1. Where any State Government itself is the owner of the mine, the name of the State Government as well as the name and address of the exploiting agency should be indicated.
2. Where any State Government itself is the owner of the mine, indicate the area of operation.
3. In case the lease is expired and not renewed, clarify whether mine is working under Working Permit.

E. Employment of Labour and Wages Paid: Part-II (Annual Return)

- 1.(a) Give day of the week and the date and month on the day of maximum employment.
- 2.(b) Total number of Mandays worked is obtained by adding the daily attendance for the whole period.

3(c) Average daily employment is obtained by dividing the number of man days worked by the number of working days. The total shown in column (4C) should agree with the quotient obtained by dividing the total shown in column (2C) by the number of working days shown in column(3).

4.(d) Wage includes all cash payments including bonuses. Employers' contributions to provident funds, welfare activities etc. Concessions in kind should not be included in wages.

5.(e) Persons employed in the removal of overburden should be included among 'Others' and not among 'Miners and Loaders' or 'Face workers and Loaders'.

F. Pit's Mouth Value:

1. The Pit's Mouth Value should represent the sale value of the mineral at the pit head. In case of sales effected on F.O.R. or F.O.B. or any other basis, pit head sale value should be arrived at after deducting all the expenses incurred from mine to railway station or port or other point of sale, as the case may be (such as expenses on transportation, loading and unloading charges, railway freight, sampling and analysis, port handling, export duty, cess, etc.)

2. In case of captive mines, cost of production may be considered to represent the Pit's Mouth Value.

3. The Pit's Mouth Value may be indicated in respect of each grade of ore sold in accordance with definition. In case, there is no sale of a particular grade or grades produced during the period, the sale value of each grade in any of the immediate earlier period may be indicated.

G. Production:

1. In case of mines producing more than one mineral from the same mine, a combined return (except production part) may be submitted for all such minerals. However, production part of the return may be submitted separately for each mineral in the prescribed formats.

2. Give complete chemical analysis of a representative sample of each grade of ore sold/despached during the period in a separate sheet and attach with the return. (Give the analysis in respect of the sale/despach grades which are different from the production grades already covered.)

H. Abbreviations used in the above Form:

Govt. & Rs. Ltrs. Kgs. R.O.M. Km. F.O.B. mm	Government and Rupees Litres Kilograms Run-of-Mine Kilometre Free on board Millimetre	Ltd. Co. No. Col. Cu.Mtrs. Kwh. F.O.R. % MCM	Limited Company Number Column Cubic Metres Kilo Watt Hour Free on Rail Percentage Million Cubic Metre
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TYPES OF RETURNS AND NOTICES/INTIMATION TO BE SUBMITTED TO IBM UNDER MCDR.1988

S1.. No.	Name of the return/ notice/ intimation	Due date of submission	The authority to whom it is to be submitted	Reference to the rule of MCDR.1988	Form No
1	2	3	4	5	6
1.	Intimation of commencement of reconnaissance operations	Within 15 days of such commencement.	CGIBM, COM, RCOM, State Director of Mines	Rule 3D	AA
2.	Yearly report of Reconnaissance operations	Within 30 days after expiry of every year.	-do-	Rule 3E	BB
3.	Intimation of commencement of Prospecting operations	Within 15 days of such commencement.	-do-	Rule7	A
4.	Yearly/final report of prospecting operations	Within 30 days after expiry of one year from the date of execution of PL	-do-	Rule8(1)(b)& 8(2)	B
5.	Intimation of opening/reopening of mine/change in the name of mine	Within 15 days of the event	-do-	Rule 22(1), 25 &49	C
6.	Notice of intention of abandonment of mine or part of the mine.	Atleast 90 days before the intended date of abandonment	-do-	Rule23(2)	D
7.	Temporary discontinuance of the mine	1 0-75 days from the date of temporary discontinuance	-do-	Rule 24	D1
8.	Notice of intention of commencement of stoping.	Atleast 60 days before the date of commencement of stoping	-do-	Rule 26(2)	E
9.	Monthly Return	Before 15 th of every month	-do-	Rule 45(1)(a)(ii)	F1 to F9
10.	Annual Return for Explosive	Before 1 st July of the following year	-do-	Rule 45(1)(b)	G
11.	Annual Return	Before 1 st July of the following year	-do-	Rule 45(1)(c)	H1 to H9
12.	Notices of certain appointments/resignation/termination/ change of address	Within 15 days of such appointment	-do-	Rule 46	I
13.	Intimation of Sinking of shafts & boreholes	Within 15 days after commencement		Rule 47	J
14.	Intimation of Transfer of Prospecting licence or Mining lease	Within 30 days		Rule 50	L
15.	Records of Shafts and boreholes exceeding ten mtrs. In depth.	-	—	Rule 48	K
16.	Notice of amalgamation of Mining lease	Within 30 days of amalgamation	CGIBM, and State govt.	Rule 50 A	No specific form