



The Sindh Government Gazette

Published by Authority

KARACHI THURSDAY FEBRUARY 4, 2021

No. 5

Separate Paging is given to this Part in order that it may be filed as a separate compilation.

CONTENTS

	PAGES		
PART I - Notifications and rules (except statutory rules) by the Government of Pakistan, Sindh and other Local Governments, Appointments, Promotions leave, & c., & c., and Miscellaneous Notifications Appointments, & c., By District Officers.	47 - 120	PART III - Miscellaneous Supplement Season and Crops Report Prices Current Rain fall Return & c.,	Nil.
PART I-A Notification under the Local Board, Municipal Boards, District Municipal Primary Education and Local Fund Audit Acts and Municipal and Local Boards Election.		PART IV - Acts of Sindh Assembly.	Nil.
PART II - Notices Advertisement etc.		PART IV-A - Rules framed under the Acts of Provincial Assembly and other Rules.	Nil.
		PART V - <i>Nothing for publication.</i>	Nil.
		PART IV-A - <i>Nothing for publication.</i>	Nil.

PART-I

NOTIFICATIONS BY THE GOVERNMENT OF SINDH

SINDH COAL MINING CONCESSION RULES, 2020

January, 2021

ENERGY DEPARTMENT

Karachi, dated _____ January, 2021

No.TO/ED(Coal)/5-25/2020: In exercise of the powers conferred by Section-20 of the Sindh Coal Act, 2012, the Government of Sindh is pleased to make the following rules, namely-

**PART-I:
PRELIMINARY**

1. **Short title, commencement and extent:** (1) These rules may be called the Sindh Coal Mining Concession Rules, 2020.
 - (2) They shall come into force at once.
 - (3) They shall extend to whole of Sindh province
2. **Definitions:** (1) In these rules, there is anything repugnant in the subject or context -
 - (i) "Act" means the Sindh Coal Act, 2012 (**Sindh Act No.XXVIII of 2013**);
 - (ii) "assign" shall, with its grammatical variations and cognate expressions, include transfer of a mining lease or a mining permit for coal;
 - (iii) "assignee" means a company, to whom a mining lease or mining permit for coal is assigned or transferred in accordance with these rules;
 - (iv) "associated mineral" means a mineral, which is combined or associated with the coal to which a coal relates in such situation that it is physically impossible to coal mining, the possibility of coal mining will not be without mining of associated mineral;
 - (v) "Authorized Officer" in relation to any provision of these rules, means a person delegated with the powers under the provisions of Rule-5;
 - (vi) "beneficiation" means processing of coal to enhance its quality;
 - (vii) "coal mining lease" means a mining lease for carrying mining operations for coal under these rules;
 - (viii) "coal agreement" means an agreement referred to under these rules;
 - (ix) "coal deposit retention license" means a coal deposit retention license issued under these rules;
 - (x) "coal permit" means a valid and subsisting exploration permit or mining permit for coal referred to in Part-IV of these rules;
 - (xi) "coal title" means a valid and subsisting license for reconnaissance or exploration of coal resources or a mining lease for coal granted under these rules;
 - (xii) "Coal Mines Committee" means a mining committee constituted under these rules;
 - (xiii) "Collector" means the Deputy Commissioner in a District as defined in the Sindh Land Revenue Act, 1967;
 - (xiv) "Company" means -
 - (a) a company or corporate body as defined in the Companies Ordinance, 1984 and Companies Act, 2017, as amended from time to time; or
 - (b) a partnership firm or sole proprietor's firm registered and authorized to do business under any law enforce in Pakistan; or
 - (c) a foreign company incorporated by or under the law of a country outside Pakistan, having a place of business or liaison office in Pakistan whether by itself or through an agent; or conducts any business activity in Pakistan in any other manner as may be specified;

- (xv) "conditions" include terms, limitations and stipulations;
- (xvi) "Constitution" means the Constitution of the Islamic Republic of Pakistan, 1973;
- (xvii) "competent authority" means an authority competent for exercising the powers under these rules by virtue of delegation or authorization made in this behalf;
- (xviii) "corporate social responsibility" means all persons and companies engaged in exploitation of coal, coal-based power generation or any other use of coal which fulfill their obligations with regard to corporate social responsibility;
- (xix) "deposit" means any concentration of coal that can be economically exploited in any form;
- (xx) "drilling" means the perforation of the earth's surface otherwise than by pitting trenching or sinking a shaft, whether the hole is vertical, inclined or horizontal, and includes all operations for preventing the collapse of the sides of the hole or for preventing the hole from becoming filled with extraneous matter, including water;
- (xxi) "Department" means the Energy Department, Government of Sindh;
- (xxii) "Environmental Impact and Social Assessment" means all persons and companies engaged in exploration or exploitation of coal, coal-based power generation or any other use of coal shall conduct environmental impact and social assessment;
- (xxiii) "exploration" means a search for coal intentionally, by adopting a suitable method or technology and includes the determination of their extent and economic value;
- (xxiv) "exploration area" means an area of land subject to an exploration license, including its lateral limits;
- (xxv) "exploration license" means a license for carryout the exploration operations for coal in the area of land subject to exploration license or exploration permit granted under these rules;
- (xxvi) "exploration operations" mean any operation carried out in connection with exploration, including accessing, extraction or incidental winning of coal for the purpose of mineralogical examination, assaying, test-work or marketability surveys, but shall not include commercial marketing;
- (xxvii) "fees, charges and guarantees" means the fees charges paid and guarantees made by the coal title or permit holders as may be prescribed by the Licensing Authority, from time to time;
- (xxviii) "Financing Institution" means an institution recognized, as such, by the State Bank of Pakistan for the purpose of advancing credit and loan facilities;
- (xxix) "Form" means a form appended to these rules;
- (xxx) "functions" includes powers and duties;
- (xxxi) "good reconnaissance practices, "good exploration practices", or "good mining practices" means practices which are generally accepted internationally by a company or corporate body involved in reconnaissance operations, exploration operations, or mining operations, as the case may be, as good, safe and necessary in carrying out such operations;
- (xxxii) "in default" means breach of any provision of these rules or of any condition of a coal title or coal permit;
- (xxxiii) "In Situ gasification" means conversion of coal body into combustible gas at its natural place;
- (xxxiv) "land" includes subsoil of land consisting coal resources;
- (xxxv) "lateral limits", in relation to an area of land subject to a coal title or coal permit, means the vertical line passing through the sides by which that area is bounded;
- (xxxvi) "holder" means a company or corporate body or other entity, who holds a coal title or coal permit under these rules and includes its successor-in-interest of that title or permit;
- (xxxvii) "lessee" means a company or corporate body or other entity, to whom a lease or permit for mining of coal is granted under these rules and includes its successor-in-interest of that lease or permit;

- (xxxviii) "license" means a reconnaissance license or an exploration license, or a deposit retention license for coal granted under these rules;
- (xxxix) "licensee" means a company or corporate body or other entity, to whom license for reconnaissance or exploration or deposit retention license or exploration permit for coal is granted under these rules and includes its successor-in-interest of that title or permit;
- (xl) "Licensing Authority" means the Director General, Coal Mines Development, carryout the powers and functions of the Licensing Authority under these rules;
- (xli) "mining area" means an area of land subject to mining lease or mining permit for coal including its lateral limits;
- (xlii) "mining lease" means a lease for mining and extracting the coal deposits in the area of land subject to mining lease granted under these rules;
- (xliii) "Resettlement Policy" means all persons and companies engaged in exploration or exploitation of coal, coal-based power generation or any other use of coal shall comply with the Resettlement Policy of Government;
- (xliv) "royalty" means the royalty on all extracted or other exploited coal paid by the mining lease or mining permit holders, at the rates, as may, from time to time, be prescribed by Government;
- (xlv) "reconnaissance area" means the area of land including its lateral limits, to which a reconnaissance license relates;
- (xlvi) "reconnaissance license" means as license granted under these rules for preliminary prospecting through regional surveys and geological mapping for coal deposits;
- (xlvii) "reconnaissance operations" means an operations carried on in a general search for coal by means of aerial sensing techniques including geophysical surveys, photo-geological mapping or imagery carried on from the air, and reconnaissance shall be construed accordingly;
- (xlviii) "Schedule" means the Schedule annexed to these rules;
- (xlix) "small scale mining" means mining determined by the Licensing Authority to be small scale mining under Part IV of these rules; and
- (l) "surface gasification" means conversion of coal body into combustible gas post mining;

(2) All words and expressions used but not defined in these rules shall have the same meaning as assigned to them in the Act.

3. **Grant of licenses and leases:** (1) Except with the prior sanction of the Government, no license or mining lease for coal shall be granted otherwise than in accordance with these rules.

(2) The Government may delegate its powers to grant license for reconnaissance operations, exploration operations or mining lease in respect of coal to any officer under the administrative control of the Energy Department, Govt. of Sindh, subject to such conditions as it may determine.

(3) All existing licenses, coal permits or mining leases granted or renewed previously under the Sindh Mining Concession Rules-2002, adopted and amended by the Government from time to time, prior to commencement of these rules shall be deemed to have been granted or renewed in accordance with the provision of these rules and shall be treated accordingly.

PART-II ADMINISTRATION

4. **Coal Mines Committee:** (1) The Government shall constitute a "Coal Mines Committee" which shall advise the Licensing Authority in relation to such matters concerning the administration of these rules with respect to -

- (a) grant or renew a coal title or a coal permit;
- (b) refuse to grant or renew a coal title or a coal permit;

- (c) cancel a coal title or coal permit;
- (d) amend terms or conditions of any coal title or coal permit;
- (e) invite competitive bids;
- (f) grant a coal title to a company in excess of the limit specified in sub-rule (2) of rule 8;
- (g) grant a coal title in respect of an area of land exceeding the maximum limit specified in these rules in relation to that title.

(2) The Coal Mines Committee shall consist of the following:-

1. Director General, Coal Mines Development, Government of Sindh **Chairman**
2. One representative of Secretary, Energy Department not below BS-18 officer from Coal Wing **Member**
3. One representative of Director General, Sindh Coal Authority, not below BS-18 officer **Member**
4. One representative of Inspectorate of Coal Mines, not below BS-18 officer **Member**
5. Deputy Commissioner of District concerned **Member**
6. Deputy Director, Directorate of Coal Mines Development, Sindh, Karachi **Member/Secretary**

(3) The Coal Mines Committee may coopt or invite any person as a member of the Committee for particular purpose but person shall have no right of vote.

(4) Where any matter is referred to the Coal Mines Committee for its advice and the Licensing Authority decides to dispose of the matter otherwise than in accordance with the advice of the Coal Mines Committee, the Licensing Authority shall before disposing of the matter, furnish the Committee with a statement of its reasons for doing so.

(5) The Coal Mines Committee shall meet as often as may be necessary for transaction of its business, but shall meet at least once in every three months.

(6) Minutes of meetings shall be recorded and signed by all members of the Committee. However, subject to the provisions of these rules, the Coal Mines Committee shall determine its own procedure.

(7) Any company interested in development of coal mines for coal-based power generation, in situ coal gasification, surface gasification and coal beneficiation shall -

- (i) submit applications to the Sindh Coal Authority on the proforma and procedure prescribed by the Sindh Coal Authority;
- (ii) Sindh Coal Authority shall scrutinize the applications submitted under clause (i) and submit the same to the Sindh Coal Authority Board for approval; and
- (iii) after approval of the Board, Sindh Coal Authority shall sign Memorandum of Understanding with the company and recommend the request for grant of Reconnaissance License or Exploration License to the Licensing Authority in accordance with these rules;

5. **Delegation of Powers:** Government may, by notification in the Official Gazette, delegate any or all of its powers under these rules to any officer of Department.

6. **Confidentiality:** (1) Information disclosed under these rules to the Licensing authority or the Department, shall not be disclosed to any unauthorized person without prior approval of the competent authority, except to the extent that -

- (a) disclosure is authorized or required by law;

- (b) disclosure is required by order of competent court, or for the purpose of any arbitration or litigation involving Government;
- (c) disclosure relates to information contained in the register referred to in rule 10(6) or 62;
- (d) disclosure is necessary to compile and publish official statistical information concerning the geology and coal resources of Sindh;
- (e) disclosure is for the purpose of -
 - (i) implementing these rules or a Coal Title or Coal Agreement;
 - (ii) the formation and implementation of policy relating to development of coal resources, coal policy or mineral policy or of giving advice to Government Departments or agencies; or
 - (iii) any discussion or dealing with the Federal Government;
- (f) disclosure is effected with the prior permission in writing of the Minister, granted in respect of any matter which, in the opinion of the Minister, is of a general nature and may be disclosed in the public interest;
- (g) disclosure is in accordance with a relevant coal title;
- (h) the person providing the information is authorized for its disclosure at the time of providing the information.

(2) If the Licensing Authority or an officer employed by the Department uses, for the purpose of personal gain, information disclosed under these rules, that comes to the License Authority or that officer in the course of, or by reason of, employment, that authority or officer is guilty of misconduct and shall be dealt with in accordance with the disciplinary rules in force.

(3) The holder of a coal title or coal permit shall not disclose information acquired by the holder as provided in sub-rule (3) of rule 72 and in accordance with the coal title or coal permit.

(4) Where a coal title or coal permit ceases to have effect in relation to an area of land and the holder of the title or permit does not acquire further right over that area, the Government shall have the right to disclose any information which it has received from the holder in respect of that area.

7. **Immunity of officers, etc.:** No liability shall attach to an officer employed in or by the Department, the licensing authority or an authorized officer in respect of the exercise or performance, or purpose of exercise performance, in good faith, of any function under these rules.

PART III COAL TITLES

DIVISION 1 - GENERAL

8. **Types of Coal Titles:** (1) No company or corporate body or other entity shall conduct reconnaissance operations, exploration operations, or mining operations without a coal title or coal permit granted by the licensing authority in accordance with these rules.

(2) Subject to the provisions of these rules, a company or other entity may hold upto two coal concessions at the same time.

9. **Coal Agreements:** (1) Government may, at the request of a company proposing to conduct coal mining operations, enter into an agreement with that company relating to a coal title, not inconsistent with these rules or any other law, if Government is satisfied that substantial foreign investment is likely to be made in coal operations and that the carrying out of the undertaking in question is desirable in the interest of development of the coal resources of Province of Sindh.

(2) The Federal Government may, at the request of the Provincial Government, be a party to, and to the negotiation of a coal agreement.

(3) A coal agreement may in particular, make provision with respect to all or any of the following matters:—

- (a) grant, renewal, cancellation or transfer of a coal title;
- (b) minimum exploration operations to be carried out and related expenditure to be incurred for the purposes of those operations;
- (c) the information of joint ventures;
- (d) the basis on which the fair market value of any coal may, from time to time, be determined on appropriate grounds;
- (e) the payment of royalty in specified circumstances;
- (f) the establishment of secondary and tertiary processing facilities in the Province of Sindh;
- (g) guarantees to ensure the due and proper performance of the obligations of the holder of the coal title;
- (h) financial and insurance arrangements;
- (i) the settlement of any dispute which may arise in the interpretation or application of provision of a coal agreement;
- (j) coordination of exploration or mining operations to be carried on by the person concerned under an exploration license, or coal lease with any such operations carried out by the holder of an exploration license, or a coal lease in any neighboring exploration area or mining area;
- (k) other matters relating to coal operation as Government or Licensing Authority may determine or as the parties to the agreement may consider necessary.

(4) Where the Federal Government is a party to a coal agreement, the agreement may contain provisions with respect to any matter for which the Federal Government has executive authority under the Constitution.

(5) Any provision contained in a coal agreement which is inconsistent with any provision of these rules or any other law or the Constitution, shall, to the extent of the inconsistency, be of no force or effect.

(6) Nothing contained in a coal agreement shall be construed as absolving any party thereto from complying with a requirement laid down by law or from applying for, and obtaining any permit, license, approval, permission or other document required by law.

(7) For the purpose of determining, under sub-rule (1) whether substantial foreign investment is likely to be made in a particular case, Government shall have regard to -

- (a) the likely scale of the capital investment to be made;
- (b) the expenditure and work program proposed by the applicant;
- (c) in the event of commercial discovery, likely scale of operation;
- (d) the coal potential for export would relate to the coal title;
- (e) the techniques to be used for the recovery of that coal or group;
- (f) the technical and financial capabilities of the applicant for a mineral title; and
- (g) other factors relevant to making that determination.

10. Applications under this Part: (1) An application under this Part-

- (a) shall, except where it is otherwise provided, be made to the Licensing Authority;
- (b) shall be in such a form, as may be designed and approved by the Licensing Authority;
- (c) shall be accompanied by the fee specified in the First Schedule, in respect of the application in question.

(2) Subject to these rules, where more than one application is made in respect of the same area of land, the applications shall be considered in the order in which they are received by the Licensing Authority, unless the Licensing Authority in his discretion decides otherwise on merits.

(3) Applications received on the same date shall be deemed to have been received simultaneously.

(4) On receipt of an application under this Part, the Licensing Authority shall note thereon the date and time of its receipt and shall issue to the applicant, an acknowledgement stating such date and time, the postal acknowledgement and the documents received.

(5) Subject to these rules, the Licensing Authority may grant, on such conditions as may be determined in writing by the authority, or refuse an application made under this Part.

(6) The Licensing Authority shall maintain a separate register of applications for coal titles and coal permit, containing following information:-

- (i) Serial Number;
- (ii) Date of receipt of the application;
- (iii) Name of the applicant / company;
- (iv) Complete address of the company;
- (v) Registration with Securities & Exchange Commission of Pakistan (SECP);
- (vi) Name of coalfield, district along with coordinates;
- (vii) the period for which the coal lease is required.
- (viii) Area applied for;
- (ix) Application fee paid;
- (x) Final disposal of the application, any other information as the Licensing Authority considers necessary;
- (xi) Remarks

(7) An applicant who is not a national of Pakistan shall furnish with the application, an undertaking that the applicant will abstain from all political activities, suspicious and beyond scope of doubt whatsoever, affecting the sovereignty or security of Pakistan or an act, tantamount to interference in Pakistan's internal affairs and in particular, that the applicant will eschew all espionage.

(8) If Applicant Company is registered outside Pakistan, it would be required to register themselves in Pakistan in accordance with the laws and rules in force in Pakistan, before grant of coal titles.

11. Power of Licensing Authority in respect of applications:

(1) The Licensing Authority may at any time after the receipt of an application made under these rules, require the applicant by notice in writing -

- (a) to furnish to the Licensing Authority within such reasonable time period as may be specified in the notice with respect,
 - (i) to enable the licensing authority to determine that, company or other entity possesses the controlling interest in the affairs of the company or other entity; or
 - (ii) such other information as may be described in the notice, as the licensing authority may deem necessary for purposes of considering the application;
- (b) to publish in such manner as may be specified in the notice, contents of the application in relation to -
 - (i) the full name(s) of the applicant company(ies);
 - (ii) the area along with coordinates and type of the coal title;

- (c) to give to the person or persons identified, such particulars of the application as the licensing authority may specify.
- (2) In order to enable the Licensing Authority to consider any application under these rules, the authority may -
- (a) cause such investigations or negotiations to be made or undertaken as the Licensing Authority may in its discretion deem necessary; or
 - (b) require the applicant, by notice in writing, to furnish the licensing authority within such periods as may be specified in the notice, with such proposals, by way of alternative to or in addition to, proposals set out in the application.
- (3) Where an application for coal title is made in respect of an area within a notified reserved or protected forest or wildlife sanctuary, the Licensing Authority shall not grant any such coal title without prior consultation with the Department responsible for forests, wildlife and environmental protection, as the case may be.
- (4) In considering any application under these rules and conditions subject to which the application may be granted, the Licensing Authority shall take into account the need to conserve and protect the natural resources in, on or under:-
- (a) the land to which the application relates; and
 - (b) adjoining or neighboring land.
- (5) Where the Licensing Authority decides -
- (a) to grant an application under these rules subject to certain conditions, the authority shall give notice to the applicant accordingly, stating those conditions and the conditions referred to in rule 13.
 - (b) to refuse an application under these Rules, the authority shall communicate that decision and reasons for the refusal to the applicant within a period of four months from the date of receipt of the application and other relevant information requested by the Licensing Authority.
- (6) The applicant may, within the period of one month after notice is given to him pursuant to sub-rule (5), or within such further period as the Licensing Authority may allow in writing, on good cause shown, agree in writing to accept the condition or such other conditions as may be agreed by the authority and the applicant.
- 12. Lapse of applications:** If an applicant company fails -
- (a) to comply with the requirements of a notice referred to Rule-11(1) or (2) (b); or
 - (b) to agree pursuant to Rule-11(6), within the period specified in the notice, or such further periods as may be allowed by the Licensing Authority, the application in question shall lapse on the expiry of such period.
- 13. General conditions of coal titles:** (1) In addition to any condition contained in a coal title, it shall be conditions of a coal title that the holder of the coal title shall -
- (a) exercise any right granted to the holder by or under these rules reasonably in such manner that the rights and interests of the occupier of any land to which the title relates are not adversely affected, except to the extent that the occupier is properly compensated;
 - (b) employ technically qualified and competent persons to carry on the operation to which the title relates including, but not limited to, the preparation of any accounts, maps, plans, program, reports and studies, and the execution of any works required under these rules;
 - (c) in the employment of all grades of employees, give preference to residents of Sindh and in particular to those residing within or in proximity, who possess appropriate qualification, expertise and experience for the purposes of the operations to be carried on under the coal title;

- (d) implement measures including appropriate training program for employment in the mining sector, to encourage and promote the education and development of residents of Sindh and in particular to those residing within or in the proximity, in modern mining skills;
 - (e) with due care to the need to ensure technical and economic efficiency, make use of products equipment manufactured or produced, and services available, locally;
 - (f) cooperate with other persons involved in the mining, to enable residents of Province of Sindh, to develop skills and technology to render service in the interest of that industry in Province of Sindh;
 - (g) take measures to prevent damage to the environment and where some adverse impact on the environment is unavoidable, take measures to minimize such impact;
 - (h) make good, any damage caused to the environment as far as possible during the course of exploration or mining operations, and on the cessation of such operations due to expiry, or cancellation of the coal title or otherwise;
 - (i) Holder of a coal title may give to the Licensing Authority notice of any change in its name, registered address, directors, share capital, Memorandum or Articles of Association or constitution or of beneficial ownership of more than five percent of the issued share capital, within thirty days of the change;
 - (j) carry out the reconnaissance, exploration or mining operations in such a manner not to encroach on any area not included in the coal title;
- (2) It shall be the condition of every coal title that -

- (a) before the commencement of coal operation within a reserved or protected forest or wildlife -
 - (i) thirty days' notice in writing shall be given to the District Forest Officer or concerned Wildlife Officer, of the intention to commence the operation;
 - (ii) any operation shall be conducted subject to such condition that may be prescribed pursuant to Rule-14(4), or specified by the officer regarding the use of fire or otherwise;
- (b) the holder of a coal title shall make such contributions to Government for the benefit of the local population to be used for such purposes as may be specified in the coal title or the coal agreement;
- (c) on termination, surrender or cancellation of a coal title, the holder in accordance with good mining practices, shall -
 - (i) fill up all excavations on the land to which the title relates;
 - (ii) securely plug all mines on such land;
 - (iii) remove all equipment, installation and structures therefrom; and
 - (iv) take such action as may be necessary to restore the land in so far as possible, to its original condition and to prevent hazards to human, animal or wildlife or to the property of others or to the environment.

(3) The holder of a coal title shall not be liable, under clause(c) of Rule-13(2) to restore the surface of land, in respect of which full compensation has been paid under Rule-14(8).

(4) A coal title may make provision -

- (a) for the pre-emption of coal by Government in such circumstances and on such conditions as are specified in the title subject to the payment of the fair market price determined on the basis so specified;
- (b) for the disputes which may be settled by arbitration; and
- (c) with respect to any of the matters referred to in rule-9(3).

14. Restriction on exercise of rights by holder of Coal Title:

(1) The holder of a coal title shall not carry on exploration or mining operations at or upon any point within a distance of -

- (a) fifty meters from the boundary of the exploration or mining area, as the case may be;
- (b) one hundred meters from any railway line, power transmission line, water reservoir, canal or other public works, or building, except with the previous permission in writing of the Licensing Authority and in accordance with the conditions, if any, that it may impose.

(2) The holder of a coal title shall not erect any building or carry on any surface operations upon -

- (a) any public recreational area, cremation area, grazing area or graveyard; or
- (b) any place held sacred by any class of persons; or
- (c) any house or village site, or public road or on any other place, which the Licensing Authority may exclude from such operations.

(3) The holder of a coal title shall not, without the written permission of the Licensing Authority -

- (a) cut or injure any tree on occupied land or in an unreserved forest;
- (b) disturb the surface of any road;
- (c) enter on any public recreational area, cremation area, grazing area or graveyard or a place held sacred by any class of persons; or
- (d) interfere with any right of way, well, tank or cultivable agricultural land.

(4) All surface operation conducted under the authority of these rules within a reserved or protected Forest and Wildlife shall be subject to such conditions as the Forest and Wildlife Department may notify by general or special order, from time to time.

(5) In the event of any disagreement between the Forest and Wildlife Department or any other Department and the holder of a coal title, the matter shall be referred to the Secretary of the Energy Department for a final decision on the matter.

(6) Before occupying any land for surface operations or clearing any land, the holder of a coal title shall give to the licensing authority forty-five days (45 days) prior notice in writing, specifying by name or other sufficient designation and exact area of the land proposed to be occupied and the purpose for which it is required.

(7) The Licensing Authority shall at any time within one month from the receipt of a notice, given pursuant to sub-rule (6) state the objections, if any, on grounds of public interest to the proposed site, and holder of the coal title in question shall not proceed with any of the operations until the said objections are removed.

(8) The holder of a Coal title shall -

(a) pay such reasonable compensation as may be assessed by lawful authority in accordance with the law in force on the subject applying to the lands to which the title relates, for all damages, injuries or disturbances which may be done by the holder in exercise of the powers granted by the title; and

(b) indemnify the Government against all claims which may be made by third parties in respect of any such damages, injuries or disturbances.

(9) In the event of any dispute with respect to the payment of compensation pursuant to sub-rule(8), the matter shall be referred to the Licensing Authority for a decision and the Licensing Authority shall in making that decision, have regard to the provision of law referred to in sub-rule-8(a).

(10) In the case of a boundary dispute between two or more holders of coal titles, the matter may be referred to the Licensing Authority for final decision.

15. Directions to Holder of Coal Title: (1) The Licensing Authority may, with regard to good reconnaissance, exploration or mining practices, by notice in writing to the holder of a coal title give directions to the holder in relation to —

(a) the carrying out, of reconnaissance, exploration and mining operations including any works connected therewith;

(b) the conservation of any natural resources, including mineral resources and the prevention of the waste of such resources;

(c) the protection and preservation of the surface of mines or works and of buildings, roads, railways and other structures and enclosures on or above the surface of land, and the conditions under which any such buildings, roads, railways, structures and enclosures may be undermined;

(d) the construction, erection, maintenance operation, use or removal of structures, equipment and other goods, used in connection with the exploration, mining or conveyance of coal;

(e) the protection of the environment including the prevention and combating pollution of the air or land which arises or may possibly arise in the course of the operations involved in exploration or mining for coal or after such operations have ceased;

(f) the making safe of undermined ground and dangerous slimes, tailings, dams, waste dumps, ash dumps, shafts, holes, trenches or excavations of whatsoever nature made in the course of exploration or mining operations; and the proper abandonment of mines;

(g) the taking, preservations and furnishing to the licensing authority of cores, cuttings of samples of coal (rocks) from mines or excavations;

(h) the submission to the licensing authority of reports, returns and other information;

(i) the taking of logs or directional surveys or the making of other investigations;

(j) the creation of safety zones in relation to structures erected on land to which the coal title relates; and

(k) the cessation of coal operation to the extent of title upon any encroachment by the holder of coal title or any area not included in the coal title;

(2) Where the Licensing Authority is satisfied that the holder of a coal title failed to comply with any direction specified in a notice under sub-rule(1) within the period so specified or such further period as the Licensing Authority may in writing allow on good cause shown, the Licensing Authority may -

- (a) cause to take such steps as may be necessary to comply with the direction; and
- (b) recover from the holder as a debt due to the Government, the costs incurred in connection with the taking of such steps.

DIVISION 2-RECONNAISSANCE LICENSE

16. Rights of Licensee: (1) Subject to these rules and conditions of the license, a reconnaissance license shall confer on the licensee -

- (a) non-exclusive rights or where sub-rule(3) applies, the exclusive right to carry on reconnaissance operations in relation to reconnaissance area in respect of coal to which the license relates; and
- (b) right subject to sub-rule(2), to carry on such other operation including the creation or construction of ancillary works, in the reconnaissance area as may be reasonably necessary for, or in connection with the reconnaissance operation referred to in clause(a).

(2) The licensee shall not erect or construct any ancillary works referred to in sub-rule (1)(b) without the prior consent in writing of the Licensing Authority, either unconditionally or subject to such conditions as it may impose.

(3) Subject to sub-rule (4), the licensing authority may, on application by -

- (a) an applicant for a reconnaissance license, grant the license to that applicant; or
- (b) the holder of a reconnaissance license, cause an endorsement to be made on the license, by virtue of which an exclusive right is conferred on the applicant or the holder to exercise the exclusive right referred to in sub-rule (1)(a), if the Licensing Authority is satisfied, on reasonable ground, that the grant of such an exclusive right is justified, having regard to the proposed reconnaissance operations and proposed expenditure in or in relation to the reconnaissance area.

(4) An exclusive right referred to in sub-rule (3) shall not be granted in respect of any area of land to which any other coal title has been granted, giving an exclusive right to carry on reconnaissance, exploration or mining operations.

(5) Subject to sub-rule(3), reconnaissance license does not confer on the holder an exclusive right to carry on reconnaissance operations as provided in sub-rule(1).

17. Duration of reconnaissance license: (1) Subject to these rules, a reconnaissance license shall be valid for such period not exceeding twelve months or for the period as may be specified in the license.

(2) Notwithstanding sub-rule(1), but subject to these rules, where an application is submitted by the holder of a reconnaissance license for an exploration license in respect of coal -

- (a) in relation to an area of land which constitutes the reconnaissance area; and
- (b) licensee has the exclusive right under rule 16(3) to carry on reconnaissance operation. The reconnaissance license shall not expire until the exploration license is granted or refused or withdrawn, whichever occurs first.

18. Application for reconnaissance license: (1) An application for grant of reconnaissance license for coal shall -

- (a) contain full name of the company, particulars of its incorporation and registration, the names and addresses of the directors, officers and if the company has a share capital, the authorized, subscribed and paid up capital along with full name, address and nationality of any person(s), who has the controlling interest in the affairs of the company and who is the beneficial owner or holds more than twenty five per cent (25%) share of the issued capital;
- (b) shall be made in respect of an area of land which is not more than 50 square kilometers or commensurate with size of the project to be decided by the Government;
- (c) shall be accompanied by five copies of a detailed topographical and geological description of the area of land to which the application relates, and five copies of a plan or map of such area drawn to scale, as the Licensing Authority may require showing -
 - (i) its location with reference to revenue districts; and
 - (ii) extent of the area and the boundaries by reference to identifiable physical features and co-ordinates reference points;
- (d) shall contain particulars of -
 - (i) program of reconnaissance operations proposed to be carried on, the estimated expenditure in respect thereof and the period within which the operations will be carried on;
 - (ii) in the case of an application for an exclusive right referred to in rule 16(3), describing reason(s) for making the application;
- (e) shall contain such particulars as may be necessary to determine the applicant's technical and financial resources including, but not limited to, the company's audited financial statements, and where applicable, those of any person of contractual agreements;
- (f) shall contain -
 - (i) particulars of all other mineral(s) titles held or mines operated in Sindh by the applicant, whether alone or jointly, currently or during last ten years immediately preceding the date of the application; or
 - (ii) where no such titles are or were held or operated, particulars of any current involvement by the applicant in reconnaissance, exploration or mining operations, outside Sindh;
- (g) shall state the period, not exceeding twelve months for which the license is required;
- (h) shall be accompanied by such documents as the Licensing Authority may require in relation to and matter referred to in this rule; and
- (i) may contain any other information, which in the opinion of the applicant is relevant to the application.

19. Restrictions on Grant of Reconnaissance License: (1) The Licensing Authority shall not grant a reconnaissance license -

- (a) unless the licensing authority is satisfied that the applicant company possesses the required resources, experience and expertise to hold the license;

- (b) if, at the time of the application, the applicant is in default;
- (c) unless the licensing authority is satisfied, on reasonable grounds —
 - (i) with the program of proposed reconnaissance operations and the estimates of related expenditure; and
 - (ii) that the applicant has technical and financial resources to carry on those reconnaissance operations and make expenditure; or
- (d) in respect of an area of land in relation to coal for which an exclusive right has been conferred on any other coal title or coal permit holder under these rules.

20. Grant of reconnaissance license: (1) Subject to sub-rules (4) and (5) of Rule-11, where the Licensing Authority decides to grant a reconnaissance license, it shall issue the license to the applicant upon payment of the fee specified in the First Schedule.

- (2) Subject to sub-rule (1), a reconnaissance license shall:—
 - (a) state the full name and the address of the licensee;
 - (b) state the date on which and the period for which the license is granted pursuant to Rule-17(1);
 - (c) state the extent of the reconnaissance area;
 - (d) contain a description and plan of the reconnaissance area, prepared by a qualified surveyor, as provided in rule 18(1)(c) containing geometrical or numerical depictions, or any combination thereof, in words or symbols;
 - (e) state the conditions, other than those specified in Rule-13, subject to which the license is issued;
 - (f) set out the approved program of reconnaissance operations and related expenditures; and
 - (g) contain such other particulars as the Licensing Authority, either generally or in particular, may determine.

21. Work Program of Reconnaissance Operations: (1) Where the licensee, by virtue of the conditions of license, required to carry out or to make within a particular period any work, in accordance with an approved programme, minimum reconnaissance operations and expenditure, the licensee shall furnish the Licensing Authority, on such date or dates as may be specified in the license, or as may be determined by the Licensing Authority by notice in writing to the licensee, with particulars of such reconnaissance operations and the related expenditure.

(2) The Licensing Authority may, on application made to it by the licensee and for good cause shown, by notice in writing to the licensee, may amend any work programme or expenditure referred to in sub-rule(1), in accordance with proposals contained in the application to such extent as the Licensing Authority may deem expedient.

(3) If a licensee fails to comply with the requirements of a work programme referred to in sub-rule(1) shall, subject to the provisions of Rule-66, be liable to pay for the benefit of the Provincial Fund, such penalty as may be specified in the license in question.

22. Records and Reporting by Licensee: (1) The licensee shall prepare and keep at an address in Sindh, in a form acceptable to the Licensing Authority, proper records of—

- (a) the location and nature of all phonological studies, imaging and geophysical and other surveys carried on by the licensee in the course of the reconnaissance operations in the reconnaissance area, and the results, interpretations and assessments of such studies and surveys;

- (b) the persons employed by the licensee for purposes of the reconnaissance operations including the names, addresses, nationality and ages of such persons;
 - (c) the expenditure incurred by the licensee in the course of the reconnaissance operations;
 - (d) a statement of income derived and expenditure incurred in connection with the reconnaissance operations in the reconnaissance area and such other financial statements as the licensing authority may require; and
 - (e) such other information as may be determined by Licensing Authority by notice in writing to the licensee, shall retain such records for a period of not less than three years from the date of expiry of the license, or as provided in conditions of the license.
- (2) The licensee shall also cause to be prepared by a registered mine surveyor and kept at all times at an office in Sindh, accurate plans and maps in respect of the reconnaissance area.
- (3) The licensee shall submit to the licensing authority, within sixty (60) days after the end of the period of the license, in respect of the whole of the reconnaissance area, reports as follows:-
- (a) the reports shall be in duplicate and in a form acceptable to the Licensing Authority;
 - (b) a report shall be submitted with any application for an exploration license whether in respect of the whole or any portion of the reconnaissance area;
 - (c) where an application is made for an exploration license in respect of a portion of the reconnaissance area, separate reports shall be submitted in respect of that portion and the remainder of the reconnaissance area;
 - (d) each report shall set out, in relation to the period of the license —
 - (i) an evaluation of the prospects of the discovery of any mineral or group of minerals in the reconnaissance area;
 - (ii) all information, including photographs, tabulations, tapes and discs, in the records referred to in sub-rule(1) and the plans and maps referred to in sub-rule(2); and
 - (iii) the statement of income, expenditure and financial statements referred to in sub-rule(1) (d).
- (4) In the event of cancellation or surrender of reconnaissance license under Rule-59 or Rule-60, or expiry of the reconnaissance license, the licensee immediately before the cancellation, surrender or expiry shall on a date not later than thirty days after the date of the cancellation, surrender or expiry, deliver to the licensing authority -
- (a) all records kept in accordance with sub-rule(1);
 - (b) all maps and plans referred to in sub-rule(2);
 - (c) all reports, photographs tabulations, tapes and discs prepared by or on behalf of that person in the course of the reconnaissance operations; and
 - (d) such other books, documents, records and reports as the licensing authority may require by notice in writing to such person, or copies of such records, maps, plans, reports, photographs, tabulations, tapes, discs person in relation to the reconnaissance area with effect from the date immediately following the date of the cancellation, surrender or expiration or such later date as the Licensing Authority may allow, on good cause shown.

DIVISION 3 – EXPLORATION LICENSE

23. Rights of Licensee: (1) Subject to these rules and conditions of license, an exploration license shall confer on the license holder -

- (a) an exclusive right to carry on exploration operations for coal in the area of land subject exploration license;
- (b) right to enter and occupy the land which comprises the exploration area for the purpose of carrying out coal exploration operations, subject to the rights of surface holder;
- (c) right to take water on or flowing through such land and use it for any purpose necessary for exploration operations subject to and in accordance with the provisions of relevant law to use water, but in exercise of such right, the licensee shall not deprive any land, villages or houses or watering places for cattle of a reasonable supply of water;
- (d) with prior permission in writing of the licensing authority generally or in a particular case, the right -
 - (i) to remove from the exploration area coal or samples thereof, for the purposes of testing, assaying or pilot plant studies, from any place where it was found or incidentally discovered in the course of exploration operations to any other place within or outside the Province and subject to such other permission, as may be required under any law, outside Pakistan; and
 - (ii) to dispose off limited quantity of coal excavated during exploration operations; and
- (e) subject to sub-rule (2), to do all other activities, including the erection or construction of ancillary works in the exploration area as may be reasonably necessary for, or in connection with, any exploration operations referred to in clause (a).

(2) The holder of an exploration license shall not erect or construct any ancillary works, in the exploration area, without the prior consent in writing of the Licensing Authority, either unconditionally or subject to such conditions as the authority may impose.

24. Duration of Exploration License: (1) Subject to these rules, an exploration license shall be valid for such period, not exceeding two years, as may be specified in the license and subject to clause(b) of sub-rule(2) of Rule-29, be renewable for such further period, not exceeding one year, from the date of expiry as may be determined by the Licensing Authority in relation to any renewal of the license as from the date on which the license would have expired if an application for its renewal had not been made, or on the date on which the application for the renewal is granted, whichever is later.

(2) Notwithstanding the provisions of sub-rule(1) subject to other provisions of these rules -

- (a) an exploration license shall not expire during any period when an application for renewal of the license is being considered until the application is refused or withdrawn, whichever first occurs, or if the application is granted, until such time as the license is renewed in consequence of the application; or
- (b) where application is made by the holder of exploration license for grant of a mining lease in relation to an area of land subject to exploration license, the exploration license shall not expire until the application is refused or withdrawn, whichever first occurs, or if the mining lease is granted.

25. Effects of Issue of Coal Mining Lease on Exploration Area: (1) Where a mining lease is issued to the holder of an exploration license in respect of an area of land included in the exploration license for carrying out exploration operations in respect of coal-

- (a) that exploration license shall cease to have effect in relation to that area of land from the date on which the mining lease is issued; and
- (b) any other exploration license held by any other company shall so cease to have effect in relation to that area of land unless the Licensing Authority deems it in the interest of development of coal resources that the license should not so cease to have effect and with the agreement of the applicant for the coal mining lease, so orders in writing on such conditions as the licensing authority may determine.

26. Application for Exploration License: An application for exploration license shall -

- (a) contain name of company, particulars of its incorporation and registration, the full names, addresses and nationalities of the directors and officers and, if the company has a share capital, the full names, addresses and nationalities of any person who is the beneficial owner of more than 25% of the issued share capital;
- (b) accompany 12 copies of a plan or map of such area drawn on scale as the licensing authority may require showing its location with reference to revenue district and extent of the area and boundaries by reference of identifiable physical feature and coordinate reference points;
- (c) be made in respect of an area of land not exceeding 250 square kilometers;
- (d) accompany a comprehensive topographical and geological description of the area of land over which the license is sought, identify the potential for, or the nature of, mineralization contained therein and identify any mineral or group of minerals in respect of which the license is sought;
- (e) contain timelines of the proposed exploration operations, estimated expenditure thereof and the period within which the operation will be completed, and environment of the area, anticipated effect of proposed exploration operations on the environment and the measures to be taken to prevent or minimize any adverse effect thereon;
- (f) furnish such particulars as may be necessary to determine the applicant's technical and financial resources, including but not limited to, the company's audited financial statements, and, where applicable, those of any person contractually engaged to provide such resources, and copies of relevant contractual agreements;
- (g) state period, not exceeding three years, for which license is required;
- (h) accompany by such documents as the Licensing Authority may require in relation to any matter referred to in this rule;
- (i) contain particulars of all other mineral/coal titles held or mining operated in the country by the applicant company, whether alone or jointly, currently or during five years immediately preceding the date of the application; or where no such titles or mines are or were held or operated, particulars of any current involvement by the applicant in reconnaissance, exploration or mining operations in and outside the country;

27. Exercise power to grant or refuse application for exploration license: (1) Subject to these rules, where an application for an exploration license is made by a company in respect of an area of land which constitutes coal resource potential, the Licensing Authority may grant or refuse to grant the exploration license.

(2) The Licensing Authority shall not grant an exploration license for coal to any company in relation to any area of land, if at the time the application is made:-

- (a) that area is in or constitutes mining area or is subject to a mining lease or mining permit;
- (b) any licensee holds a reconnaissance or deposit retention or exploration license having an exclusive right to carry on reconnaissance operations or as the case may be exploration operations in that area of land included in the application, unless the Licensing Authority deems it desirable in the interest of development of coal resources of the Province; and the existing holder of license agrees to the grant of exploration license.

(3) An exploration license shall not be granted to an applicant, who, at the time of application, is in default, unless the licensing authority is of the opinion that the default is not substantial and that special circumstances exist which justify the grant of application notwithstanding any default.

(4) An exploration license shall not be granted to an applicant unless the licensing authority, on reasonable grounds, is satisfied -

- (i) with the proposed program of exploration operations to be carried on and the proposed expenditure to be incurred on exploration operations; and
- (ii) that the company concerned has the technical and financial resources and is capable to carry on the exploration operations with the proposed program of exploration operations to be carried on and the estimated investment;
- (iii) for an area of land commensurate with size of the project to be decided by the licensing authority; for a period not exceeding two (2) years, extendable for further one (1) year.

28. Grant of Exploration License: (1) Subject to these rules, where the Licensing Authority decides to grant of exploration license, it shall issue to the applicant the exploration license on such conditions as mentioned in the license.

(2) Subject to sub-rule (1), an exploration license shall -

- (a) state the full names and address of the company;
- (b) state the date on which and the period for which the license is issued;
- (c) state the extent of the exploration area;
- (d) contain a description and plan of exploration area, prepared by a qualified surveyor, containing geometrical or numerical depictions, or any combination thereof, in words or symbols of the area;
- (e) state the conditions, other than those specified in rule 13, subject to which the license is issued;
- (f) set out the approved program of exploration operations; and
- (g) contain such other particulars as the Licensing Authority, either generally or in any particular case, may determine.

29. Application for Renewal of Exploration License: (1) Subject to these rules, the provision of rules 26 and 27 shall apply mutatis mutandis in relation to an application for the renewal of an exploration license as they apply in relation to an application for the grant of an exploration license.

(2) An application for the renewal of an exploration license shall-

- (a) be made not later than ninety days before the date of expiry of license or such later date but not later than such expiry date, as the licensing authority may allow;
- (b) not be made in case the applicant has not carried out proposed exploration operations and fifty percent of feasibility study of exploration area; and unless the applicant can satisfy the authority that such a renewal is necessary for the completion of a full

feasibility study of the discovered deposits and that the proposed activities could not have been reasonably completed during the period of exploration license.

- (c) be accompanied by a report in duplicate prepared in respect of the exploration license during course of exploration operations, preceding the period immediately of the exploration license, containing following information:-
- (i) location and results of all geological studies, mapping, geochemical sampling, geophysical surveying, drilling and other activities undertaken in the exploration area during the course of exploration operations carried on by the holder;
 - (ii) interpretation and assessment of the studies, surveys and results of all analytical and mineralogical work incidental to such exploration operations; and
 - (iii) the statement of expenditure incurred on the exploration operations in the exploration area, and such other financial statement in such a form as the Licensing Authority may require or determine;
- (d) describe and identify the part of the exploration area to be retained and the part to be relinquished;
- (e) be accompanied by the proposed work program and the estimated expenditure for the period of the renewal; and

(3) Subject to provisions of sub-rules (4) and (5), the Licensing Authority shall not grant a renewal application of an exploration license-

- (a) if the minimum exploration operations and expenditures proposed to be carried out or expended in the renewal period in respect of the area of land to which the application relates, is not satisfactory; or
- (b) if the applicant is, at the time of the application, in default, unless the Licensing Authority is of the opinion that the default is not substantial and that special circumstances exist which justify the grant of the renewal notwithstanding the default.

(4) The Licensing Authority shall not refuse under clause(a) of sub-rule (3) to grant the renewal application if the proposals in respect of exploration operations and expenditures are in accordance with the terms and conditions of the exploration license in question.

(5) The Licensing Authority shall not refuse under clause(b) of sub-rule(3) to grant the renewal application, unless the Licensing Authority has informed the license holder in writing about the details of the default made by them and has required them to rectify that default on or before a date specified in the notice and the license holder has failed to do so or has failed to make representations which, in the opinion of the Licensing Authority, removes the ground for the intended refusal.

(6) The license holder shall pay the fee specified in the First Schedule, in relation to be renewal of an exploration license.

30. Application for amendment in Exploration License: (1) Subject to sub-rule (2), a licensee may apply for an amendment in license by extension or reduction, or both, of the exploration area to which the license relates.

(2) The provisions of Rules-26 and Rule-27 shall apply mutandis in relation to an application referred to in sub-rule (1).

(3) Upon grant of an application under sub-rule(1) and payment of the fee specified in the First Schedule, the Licensing Authority shall amend the exploration license accordingly.

31. Obligations of Licensee: (1) The licensee shall -

- (a) commence operations within three months of the issuance of license and carry on exploration operations in the exploration area in accordance with standard exploration practices;

- (b) conduct detailed bankable feasibility study, including environment impact assessment and corporate social responsibility (CSR) study and submit the report to the Sindh Coal Authority, which shall evaluate the feasibility through its Technical Committee for approval of Sindh Coal Authority Board;
- (c) take all reasonable steps necessary to secure the safety, welfare and health of worker employed for the purpose of exploration operations and to protect the environment;
- (d) maintain in good condition and repair all structures, equipment and other goods in the exploration area and used in connection with the exploration operations;
- (e) remove from the exploration area all structures, equipment and other goods not used or intended to be used in connection with the exploration operations;
- (f) take reasonable steps to warn persons who may, from time to time, be in the vicinity of any such structures, equipment or other goods of the possible hazards resulting there-from;
- (g) intimate the Licensing Authority the discovery of mineral deposit other than coal, within ten (10) days after making a discovery of that mineral necessary for generation of nuclear energy,¹ but not limited to uranium, thorium, zirconium, niobium, hafnium, lithium and vanadium, and also intimate the Pakistan Atomic Energy Commission;
- (h) allow existing and future title holders of any area which, is comprised in, or adjoins or is reached by the area to which his title relates, all reasonable facilities of access thereto;

(2) Where, pursuant to sub-rule (1)(g), the licensee intimates the discovery of any mineral other than coal, the licensee may, within three months of such intimation, apply to the concerned authority for grant of license or lease of that mineral.

(3) The licensee who contravenes or fails to comply with the provisions of sub-rule (1) shall be guilty of an offence and be liable with a fine which shall not be less than fifty thousand rupees or more than two hundred thousand rupees, in addition to the rectification of the default within the time given by the Licensing Authority.

(4) The licensee shall have no right in respect of any mineral deposit referred to in sub-rule(1)(g) without the agreement of Pakistan Atomic Energy Commission.

32. Work Program of Exploration Operations: (1) Where the licensee, by virtue of the conditions of exploration license, required to carry out or to make within a particular period any work, in accordance with a work program for a bankable feasibility study, certain minimum exploration operations and expenditure, the licensee shall furnish the Licensing Authority, on such date or dates as may be specified in the license, or as may be determined by the Licensing Authority by notice in writing to the licensee, with particulars of such exploration operations and the related expenditure.

(2) The Licensing Authority may, on application made to it by the licensee and for good cause shown, by notice in writing to the licensee, may amend any work program or expenditure referred to in sub-rule (1), in accordance with proposals contained in the application to such extent as the Licensing Authority may deem expedient.

(3) If a licensee fails to comply with the requirements of a work program referred to in sub-rule (1) shall, subject to the provisions of Rule-66, be liable to pay for the benefit of the Provincial Fund, such penalty as may be specified in the license.

33. Records to be maintained and reporting by the Licensee:

(1) The licensee shall prepare proper record of exploration operations, in such a form acceptable to the Licensing Authority, and keep it at a staffed office in the province of Sindh, in relation to -

- (a) the location and results of all photo-geological studies, imaging, geological mapping, geo-chemical sampling, geo-physical surveying, drilling, pitting, trenching, sampling and bulk sampling and activities carried out by the license holder in connection with the exploration area;
 - (b) the results of all analytical, metallurgical, mineralogical work incidental to such exploration operations;
 - (c) the interpretation and assessment of the studies, surveys and work referred to in paragraphs (a) and (b);
 - (d) the persons employed by the licensee for the purposes of such exploration operations, including their names, addresses, nationality and ages;
 - (e) the description and quantity of coal resources available in the exploration area;
 - (f) a statement of expenditure (capital and operating) incurred in connection with the exploration operations in the area and such other financial statement in such form as the Licensing Authority may require;
- (2) The licensee shall prepare and cause to be maintained, by a registered mine surveyor, at all times, accurate maps and plans in respect of the exploration area.
- (3) The licensee shall submit within thirty (30) days after the end of each quarter during the period of exploration license, in such a form acceptable to the Licensing Authority, a return or returns containing-
- (a) a summary of the particulars and information contained in the records referred to in sub-rule(1) as may be required, by notice in writing to the license holder; and
 - (b) such other particulars as the Licensing Authority may require in relation to the exploration operations carried out by the license holder;
- (4) The licensee shall submit, within sixty (60) days, after the end of the term of exploration license and of each period during which exploration license has been renewed, a report in duplicate or, in the case where an application is made for retention license or mining lease in respect of a portion of the exploration area, separate reports in duplicate in respect of such area and the remainder of such exploration area in relation to such period referred to in sub-rule (4) -
- (a) estimate of the coal reserves in the exploration area properly illustrated by way of plans and maps according to an appropriate scale; and
 - (b) nature, mass or volume and value of coal reserves disposed of and the full name and address of person or company to whom coal has been disposed of.
- (5) In the event of cancellation of an exploration license under Rule-58 or Rule-59 or the expiry of an exploration license, the company immediately before such cancellation or expiry, shall, on a date not later than thirty (30) days, deliver to the licensing authority-
- (a) all records kept in accordance with sub-rule (1);
 - (b) all maps and plans referred to in sub-rule (2);
 - (c) all reports, photographs tabulations, tapes and discs prepared by or on behalf of such person in the course of such exploration; and
 - (d) such other books, documents, records and reports as the Licensing Authority may require by notice in writing and delivered to such person, or copies thereof unless a mineral deposit retention or a mining lease is issued to such person in relation to the area covered by such exploration license, with effect from the date of such cancellation, surrender or such later date as the licensing authority may allow, on good cause shown.

DIVISION 4-COAL DEPOSIT RETENTION LICENSE

34. Rights of retention License Holder: (1) A retention license confers on its holder exclusive rights to apply for a mining lease within the area of land for which the retention license has been granted.

(2) Subject to these rules and conditions of license, a coal deposit retention license shall authorize its holder -

- (a) to retain the retention area in question for mining operations;
- (b) to carry out any program of operation, including evaluation from time to time, of the coal deposit concerned, as may be specified in the license or directed to be performed by the Licensing Authority as a condition of any renewal of the license;
- (c) with the permission of Licensing Authority previously obtained whether generally or in every particular case -
 - (i) to remove from the retention area coal or sample thereof, for the purposes of testing, assaying or pilot plant studies, to any other place whether within or outside the Province of Sindh or, subject to such other permission as may be required under other relevant law in force, outside Pakistan; and
 - (ii) to sell or otherwise dispose of limited quantity of coal excavated during operations so carried out;
- (d) subject to sub-rule (2), to do all other activities, including the carrying out of investigations, operations, and the erection or construction in the retention area of such ancillary works, as may reasonably be necessary for, or in connection with any operation as contemplated in clause(b).

(3) The licensee shall not erect or construct any ancillary works in retention area, as may reasonably be necessary for, or in connection with any operation, without prior consent of the Licensing Authority, either conditionally or subject to such conditions as the Licensing Authority may impose.

35. Person who may apply for Coal Deposit Retention License: A company holding an exploration license for coal in relation to the area of land, may apply for grant of a coal deposit retention license, on the grounds that -

- (a) the exploration license holder, who identified a coal deposit within the exploration area and deposit is potentially of commercial significance on the basis of exploration operations, relevant studies in the area;
- (b) the applicant has completed a full feasibility study to determine whether the coal deposit can be developed and produced on a profitable basis; and
- (c) the applicant wish to retain the exploration area or a part thereof, if the deposit discovered cannot be developed immediately by reason of adverse market conditions or other economic factors which are, or may be, of a temporary character.

36. Duration of coal deposit retention license: (1) Subject to these rules, a coal deposit retention license -

- (a) shall be valid for such period, not exceeding two years, as may be specified in the license; and
- (b) may be renewed for such further period, not exceeding one year, as may be determined by the Licensing Authority and specified in the renewal letter.

(2) Notwithstanding the provisions of sub-rule (1), but subject to these rules, where the coal deposit retention license holder applies for -

- (a) renewal of coal deposit retention license, that license shall not expire until the application is refused or withdrawn, whichever is earlier; or

(b) where an application is made by the holder of coal deposit retention license for grant of a coal mining lease in relation to an area of land in or which constitutes the retention area, the license shall not expire in relation to that area of land until the application is not acceded to or withdrawn, whichever earlier first occurs, or if the application is granted, until such time as the mining lease applied for, is issued.

(3) Where a coal mining lease is issued to the coal deposit retention license holder in respect of an area of land forming part of the retention area -

- (a) the retention license shall cease to have effect in relation to the area of land as from the date of issue of the coal mining lease;
- (b) any other coal deposit retention license shall cease to have effect unless Licensing Authority with the agreement of the holder to whom the coal mining lease is issued, determined otherwise on such conditions as it may specify in writing.

37. Application for Coal Deposit Retention License: (1) An application for a coal deposits retention license shall be accompanied by studies and assessments by appropriate experts or consultants acceptable to the licensing authority, on -

- (a) the extent and prospects for recovery, and the commercial significance, of the coal deposit and the relevant market conditions and trends and economic factors; and
- (b) the impact of mining operations for recovery of coal deposit on the environment and ways and means of eliminating or minimizing any adverse effects; and such other information as the Licensing Authority may reasonably require as to the proposals of the applicant for the retention license and development of the deposit.

(2) An application for coal deposit retention license shall -

- (a) contain in respect of each application, name of the company, and particulars of incorporation and registration, full name, address and nationality of the directors, officers and if the company has a share capital, authorized subscribed and paid up capital with full name, address and nationality of any director or person, who has controlling interest in the affairs of the company and is the beneficial owner of more than twenty five percent of the issued share capital;
- (b) accompany twelve (12) copies of a plan or map of such a rea drawn on scale as the Licensing Authority may require showing its location with reference to revenue district and extent of the area and boundaries by reference of identifiable physical feature and coordinate reference points;
- (c) accompany a comprehensive topographical and geological description of the area of land over which the coal deposit retention license is sought, and furnish full details of the proven, estimated, or inferred coal reserves in the retention area; and of the mining conditions thereof;
- (d) contain particulars of -
 - (i) the exploration license held by the company;
 - (ii) the proposals for carrying out of work in the exploration area and expenditures during the period of the retention license in respect of which the application is made and if no further work in or in relation to the exploration area could be usefully carried out the reasons therefor;
 - (iii) the state of the environment in the retention area, anticipated effect of the operations to be carried on the environment and the measures to be taken to prevent or mitigate such adverse impacts;

- (e) furnish such particulars as may be necessary to determine the applicant's technical and financial resources, including but not limited to the company's audited financial statements, and, where applicable, those of any person contractually engaged to provide such resources, and copies of relevant contractual agreements;
- (f) give reasons in support of the claim that the coal deposit discovered in the area of land to which the application relates, could not then be mined on a profitable basis; and a forecast of the circumstances in which, and the earliest date on which, the coal deposit discovered might be so mined;
- (g) state the period for which the license is required and be accompanied by relevant data, studies, analysis, documents and such other information as the licensing authority may require in relation to the application;
- (h) may contain any other matter which, in opinion of the applicant, is relevant to the application.

(3) An application for a coal deposit retention license shall be made not later than one hundred and eighty (180) days before the expiry of the exploration license or any renewal thereof, or such later date, but not later than such expiry date, as the Licensing Authority may allow.

38. Powers to grant or refusal application for Coal Deposit Retention License: (1) The Licensing Authority shall not grant coal deposit retention license to a company, which is, not entitled to apply for such license -

- (a) to carry out the proposed future mining operations in respect of area, other than the area located outside the boundaries of the exploration license, or larger than an area which in the opinion of the licensing authority would be required, having regard to the coal deposit discovered in the area to which the application relates;
- (b) if at the time of the application, the applicant is in default unless the licensing authority is satisfied on reasonable grounds that the default is not substantial; and that, notwithstanding the default, special circumstance exist which justify the grant of the license;
- (c) unless the Licensing Authority is satisfied on reasonable grounds -
 - (i) that the deposit of coal in the area which the application relates cannot, for the reasons set out in the application, be mined on profitable basis at the time and can probably be mined on the expiry date of exploration license the period referred to in Rule-36;
 - (ii) that no further work can be usefully carried or the exploration area which would have the effect of negating the reasons so given; and
 - (iii) that it is desirable to grant the license, having regard to the future utilization of the mine resources of Sindh;
 - (iv) that the applicant has the technical and financial resources to carry out any program operations including evaluation, from time to time, of the coal deposit concerned, as may be specified in the license or directed to be performed by the Licensing Authority as a condition of any renewal of the license.

(2) The Licensing Authority shall not refuse to grant a coal deposit retention license on any grounds, unless Licensing Authority has -

- (a) by notice in writing informed the applicant of intention to refuse the application;
- (b) required the applicant to make representation to the licensing authority in relation to such grounds or to rectify any matter relating to such grounds specified in such notice, and license holder has failed to rectify such matter or to make representations; and
- (c) taken into consideration any representations made by the applicant.

39. Grant of Coal Deposit Retention License: (1) The Licensing Authority, if satisfied that commercial development of the coal deposits is not presently possible for the reasons specified in the application, but may be possible within a period of five (5) years, may grant a retention license to the applicant over that part of the exploration area which the Licensing Authority, after consultation with the applicant, anticipates is, or might be, required to mine the deposit identified by the applicant.

(2) Without limiting the power of the Licensing Authority to impose conditions on a mining right, the conditions of the license may include conditions for the preservation of the deposit.

40. Condition: It shall be a condition of every coal deposit retention license that the Department may disclose information with respect to the retention area to a company if the Department is satisfied that the company bona-fide seeks the information for the purpose of investigating the possibility of carrying on mining operations in the retention area.

41. Application for renewal of Coal Deposit Retention License:

(1) An application for the renewal of a coal deposit retention license shall be made not later than ninety (90) days before the date of expiry of retention license or such later date, but not later than the date of expiry, as the Licensing Authority may allow.

(2) An application for the renewal of coal deposit retention license shall be accompanied by the proposed retention program including measures to address environmental and social safeguards and mitigation of impacts.

(3) Subject to the provision of sub-rule(4), the Licensing Authority shall not grant application for renewal of a coal deposit retention license if at the time of the application, the applicant is in default unless the Licensing Authority is satisfied on reasonable grounds that the default is not substantial.

(4) Notwithstanding the default, the special circumstance exist which justify the grant of the application for coal deposit retention license and unless the Licensing Authority is satisfied on reasonable grounds that the applicant shall carry out the proposed future mining operations in respect of area.

(5) The Licensing Authority shall not, under sub-rule(3), refuse to grant a renewal of the coal deposit retention license unless the authority has informed the applicant, by notice in writing its intention to refuse to grant the renewal —

- (a) setting out particulars of all alleged default; and
- (b) requiring the applicant to make representation to the authority in relation to the alleged default or other grounds for the proposed refusal or to remedy that default or other grounds for the proposed refusal on or before a date specified in the notice;

(6) The licensee shall pay the fee specified in the First Schedule in relation to the renewal of a coal deposit retention license.

42. Application for amendment in Coal Deposit Retention License: (1) Subject to sub-rule (2), a licensee may apply for the amendment in the deposit retention license by reduction of the retention area or which the license relates.

(2) The provisions of Rule-37 and Rule-38 shall apply mutatis mutandis in relation to an application for grant of a retention license under sub-rule (1).

(3) If an application under sub-rule (1) is granted, the Licensing Authority shall amend the coal deposit retention license accordingly.

43. Obligations of Licensee: (1) The licensee shall -

- (a) take all reasonable steps necessary to secure the safety, welfare and health of worker employed for the purpose of proposed program of operations and to protect the environment;
- (b) maintain in good condition and repair all structures, equipment and other goods in the retention area and used in connection with the proposed operations;
- (c) remove from the retention area all structures, equipment and other goods not used or intended to be used in connection with the proposed operations.

(2) The licensee shall have no right in respect of any other mineral deposit discovered in the area without the agreement of Pakistan Atomic Energy Commission.

44. Work Program under Coal Deposit Retention License: The licensee shall carry out any program of operations including evaluation, from time to time, of the coal deposit concerned, as may be specified in the license or directed to be performed by the Licensing Authority as a condition of any renewal of the license.

45. Records to be kept and reporting by license holder. (1) The licensee shall prepare and keep at an address in the Province of Sindh, in a form acceptable to the Licensing Authority, proper records of -

- (a) the investigations and operations, including the erection or construction of ancillary works carried on by the license holder for, or in connection with, future mining operations as contemplated in rule 34;
- (b) the location and results of all investigations, geological studies and mapping, geochemical, geophysical, analytical, metallurgical investigations, drilling, bulk sampling and all other activities undertaken by the license holder in the course program of operations carried on by the holder in the retention area of future mining operations as contemplated in rule 34;
- (c) the interpretation and assessment of the studies surveys and works referred to in paragraphs (b);
- (d) the persons employed by the license holder for the purpose of such investigations and operations, including their names, addresses, nationality and ages;
- (e) the capital and operating expenditure incurred by the license holder in the course of such operation; and
- (f) such other information as may be required by the licensing authority.

(2) The licensee shall also cause to be prepared, by a registered mine surveyor, accurate plans and maps in respect of the retention area.

(3) The licensee shall submit to the Licensing Authority -

- (a) within thirty (30) days after the end of the period of coal deposit retention license, a report containing an evaluation of the prospects and economic viability of future mining operations in the retention area;
- (b) such other reports, records and other information as the Licensing Authority may from time to time required in writing, in connection with the carrying on of investigations and operations in the retention area.

(4) The licensee shall submit to the Licensing Authority, within sixty (60) days after the end of the period of coal deposit retention license, reports as follows:-

- (a) reports shall be in duplicate and in a form acceptable to the Licensing Authority;
- (b) a report shall be submitted with an application for the renewal of the mineral of deposit retention license or grant of coal mining lease in respect of the whole or any part of the retention area;

- (c) where an application is made for a mining lease in respect or of any portion of the retention area, separate reports shall be submitted in respect of that portion and the remainder of the retention area;
- (d) each report shall set out, in relation to the period of the coal deposit retention license -
 - (i) an evaluation of the prospects and economic viability of future mining operations in the retention area;
 - (ii) all information, including photographs, tabulations, tapes and discs, referred to in sub-rule (1) and the plans and maps referred to in sub-rule (2) of this rule;
 - (iii) such other particulars as the licensing authority may require in relation to the operations carried on by such license holder.

(5) In the event of the cancellation or surrender of a coal deposit retention license under Rule-59 or Rule-60 or the expiry of such license, the licensee immediately before the cancellation, surrender or expiry shall, on a date not later than ninety (90) days after the date of the cancellation, surrender or expiry of the license, deliver to the Licensing Authority -

- (a) all records kept in accordance with sub-rule (1); and
- (b) such other books, documents, records and reports as the licensing authority may require, or copies thereof, unless a mining lease is issued to such company in relation to the area covered by such coal deposit retention license.

46. Cancellation of Coal Deposit Retention License: (1) Any license holder, who contravenes or fails to comply with the provisions of rule 44 shall be guilty of an offence and be punishable with a fine which shall not be less than fifty thousand rupees or more than two hundred thousand rupees, in addition to the rectification of the default within the time given by the Licensing Authority failing which the coal deposit retention license may be suspended or cancelled.

(2) If the Licensing Authority is satisfied that commercial development of coal deposits in the area subject to a retention license has become possible during the term of the license, may, by notice to the holder of the license, require the holder to apply for a mining lease in respect of the area concerned and may, at any time thereafter, cancel the retention license.

47. Direction to apply for Coal Mining Lease: (1) Where during the term of a coal deposit retention license, the licensee made sound proposals to the Licensing Authority to mine the coal in the retention area and the Licensing Authority is satisfied that -

- (a) those proposals would likely to ensure efficient, beneficial and commercial development of coal deposits in the retention license area;
- (b) proposals are made in good faith by the licensee having technical and financial capability and experience to carry out the proposed work program for mining lease; or
- (c) commercial development of coal deposits in retention license area and disposal of coal on profitable basis has become possible.

(2) The Licensing Authority shall, by notice in writing, direct the retention license holder to apply, within such reasonable period as is specified in the notice, for a coal mining lease over the land which constitutes the retention area.

(3) Where the retention license holder, before expiry of the period so specified under sub-rule (2), fails to apply for the coal mining lease as directed, the Licensing Authority may cancel the retention license on the expiry of that period.

(4) Where a retention license is deemed to have been cancelled, the Licensing Authority may by a notice in writing invite other company to apply under these rules, within the period specified in the notice, for a coal mining lease subject to their sound proposals for the development of area for coal mining, as acceptable to the Licensing Authority.

DIVISION 5-COAL MINING LEASE

48. Application for Mining Lease: (1) Any company (formed and registered by or under a law for the time being in force in Pakistan) and also holding an exploration license for coal in relation to the area of land, may apply for grant of a coal mining lease for that area of land.

- (2) An application for a coal mining lease shall -
- (a) contain the name of company and particulars of its incorporation and registration, full names and addresses of the directors, officers and if the company has a share capital, the authorized, subscribed and paid up capital along with full names and addresses and nationality of any person(s), who has the controlling interest in the affairs of the company and is the beneficial owner or holds more than twenty five per cent share of the issued capital;
 - (b) accompany twelve (12) copies of a plan or map of such area drawn on scale as the Licensing Authority may require, showing its location with reference to revenue district and extent of the area and boundaries by reference of identifiable physical feature and coordinate reference points;
 - (c) be made in respect of an area, of land not exceeding 250 square kilometers;
 - (d) furnish such particulars as may be necessary to determine the applicant's technical and financial resources, including but not limited to, the company's audited financial statements, and, where applicable, those of any person contractually engaged to provide such resources, and copies of relevant contractual agreements;
 - (e) be accompanied by a technological report on mining and treatment possibilities and the intention of the applicant in relation thereto;
 - (f) be accompanied by the relevant feasibility studies, detailed plans for development and operation of the mine and the program of proposed mining operations, including a forecast of the date by which the applicant intends to commence coal mining operations -
 - (i) the capacity of coal production and scale of operations;
 - (ii) anticipated overall recovery of coal deposits; and
 - (iii) the nature of coal;
 - (g) be accompanied by an environmental impact assessment in terms of the applicable environmental laws, and shall identify the extent of any adverse effect which the plan for development and operation of the coal mine and the carrying out of the program of proposed mining operations would be likely to have on the environment and on any monument or relic in the area over which the lease is required, and proposals for eliminating or controlling that effect;
 - (h) be accompanied by a Community Development Program or Agreement in accordance with the applicable laws;
 - (i) present the proposals for prevention of pollution, the treatment and disposal of wastes, the safeguarding, reclamation and rehabilitation of land disturbed by mining operations, the protection of rivers and other sources of water and for monitoring and managing of any adverse effect of mining operations on the environment;

- (j) install electronic weighbridge, connect electronically with central control data room along with CCTV;
- (k) clear display on front of trucks to identify coal of the lease or permit area, name, etc.;
- (l) identify any particular risks (whether to health or otherwise) involved in mining of coal, which it is proposed to mine, and proposals for their control or elimination;
- (m) be accompanied by a statement giving a detailed forecast of capital investment, operating costs and revenues and the anticipated type and source and extent of financing;
- (n) be accompanied by a statement giving particulars of expected infrastructure requirements;
- (o) contain proposals in respect of following matters :-
 - (i) the employment of all grades; give preference to residents of Province of Sindh and in particular to those residing within or in proximity, who possess appropriate qualification, expertise and experience for the purposes of the operations to be carried on under the coal mining lease;
 - (ii) the implementation measures including appropriate training program in order to encourage and promote the education and development of residents of the Province of Sindh and in particular to those residing within or in proximity, in modern mining skills and to equip them for employment in the mining sector;
 - (iii) with due regard to the need to ensure technical and economic efficiency, make use of products equipment manufactured or produced, and services available, locally;
 - (iv) cooperate with other persons involved in the mining, to enable residents of the province of Sindh, to develop skills and technology to render services in the interest of that industry in Province.
 - (v) make good, any damage caused to the environment, as far as possible during the course of exploration or mining operations, and on the cessation of such operations due to expiry, or cancellation of the coal mining lease;
 - (vi) be accompanied by statement giving a detailed forecast of capital investment, operating costs and revenues and the anticipated type and source and extent of financing;
- (p) state the period not exceeding thirty (30) years for which the coal mining lease is required.

(3) Applicant may furnish any other information, which in the opinion of the applicant is relevant to the application or furnish such other documents and information as the Licensing Authority may require in relation to the application.

49. Duration of Mining Lease: (1) Subject to these rules, a coal mining lease shall be valid for such period, not exceeding thirty (30) years, extendable for further period of fifteen (15) years or as determined by the Licensing Authority.

(2) Notwithstanding the provisions of sub-rule (1), but subject to these rules, where an application is made for the renewal of a mining lease, the lease shall not expire until the application is refused, withdrawn, granted or lapses, whichever first occurs.

(3) If the lease deed is not executed within three months of the communication of the approval of application for a mining lease and the presentation of the lease deed for signature, the right of the applicant to such lease be deemed to have lapsed unless the licensing authority is satisfied that the delay in execution was not caused by the applicant or was due to circumstances beyond the applicant's control.

50. Grant or Refusal of Application for Mining Lease: (1) Subject to these rules, where holder of an exploration license or a coal deposit retention license, makes an application for a coal mining lease in respect of an area of land, which constitutes the exploration area or the retention area, the Licensing Authority shall grant the application.

(2) Subject to these rules, where an application is made for a coal mining lease by any company referred to in sub-rule (1), the Licensing Authority may grant or refuse to grant the coal mining lease.

(3) The Licensing Authority shall not grant a coal mining lease in relation to any area of land, which constitutes coal deposits if, at the time of an application is made, any other company holds exploration license conferring an exclusive right to carry out exploration operations, coal mining permit, and coal deposit retention license in the same area of land, unless -

- (a) other company agrees to the application being granted for coal mining lease; and
- (b) the licensing authority deems it desirable to grant the application for coal mining lease in the interest of the development of the coal resources of Sindh, by getting consensus from the concession holder.

(4) The Licensing Authority shall not grant a coal mining lease in relation to any area of land in respect of coal, if at the time of application, the period specified in an invitation given under Rule-47(4) to a company, other than the applicant, to apply for such a coal mining lease, has not expired.

(5) Notwithstanding the provisions of sub-rule (1), but subject to the provisions of this sub-rule, an application for the grant of a coal mining lease shall not be granted, unless -

- (a) the feasibility study shows that the mine can be profitably developed and operated;
- (b) the proposed plans for development and operation of the coal mine and the program of the mining operations of the applicant in question ensure the efficient, beneficial and timely use of the coal resources in question;
- (c) the applicant in question has the technical and financial capability and experience to carry out effective mining operations;
- (d) the licensing authority is satisfied in respect of environmental effect of the project and any condition or limitation prescribed by the Environmental Protection laws, rules and regulations, for the time being in force in the country; or
- (e) it is in the interest of the development of the coal resources of Sindh to grant the coal mining lease.

(6) If the applicant in question is, at the time of the application, in default, unless the licensing authority is of the opinion that the default is not substantial and special circumstances exist which justify the grant coal mining lease.

(7) In the case of an application made in relation to any area of land, to a person or company who does not hold an exploration license or a retention license in relation to that area of land, unless the Licensing Authority is of the opinion that the potential of coal deposit is present in the area of land in commercial quantities.

(8) The Licensing Authority shall not refuse to coal mining lease, in the case an application for a coal mining lease made by the holder of a coal title referred to in sub-rule (1) -

- (a) in terms of clause (a) of sub-rule (5), unless the Licensing Authority has, by notice in writing given to the applicant, communicated its intention to refuse the application and has -
 - (i) informed the applicant of the reasons for its intention;
 - (ii) afforded the applicant an opportunity to make, within such reasonable period as may be specified in the notice, representations in relation to all matters relating to its intention and, if the applicant so desires, to make proposals in relation to any such matters; and

- (iii) taken any such representations into consideration;
- (b) in terms of clause (b) of sub-rule (5), unless the Licensing Authority has by notice in writing, informed the applicant, of its intended refusal -
 - (i) setting out particulars of the alleged default; and
 - (ii) requiring the application to make representations to the Licensing Authority in relation to the alleged default or to remedy the default on or before a date specified in the notice and the applicant has failed to justify the default or make such representations, as in the opinion of the licensing authority, would remove the ground for the intended refusal.

(7) The Licensing Authority shall not refuse to grant a coal mining lease on the ground that any proposals submitted with the application are inadequate or unsatisfactory unless the Licensing Authority has, by notice in writing, informed the applicant accordingly and afforded the applicant a reasonable opportunity to modify those proposals.

51. Issue of Mining Lease: (1) Subject to these rules, where the Licensing Authority decides to grant a mining lease, it shall issue the mining lease to the applicant on such conditions as mentioned in the lease.

- (2) Subject to sub-rule (1), a coal mining lease shall -
- (a) state the full names and address of the applicant;
 - (b) state the date on which and the period for which the license is issued;
 - (c) state the extent of the mining area;
 - (d) contain a description and plan of mining area, prepared by a qualified surveyor, containing geometrical or numerical depictions, or any combination thereof, in words or symbols of the area;
 - (e) state the conditions, other than those specified in Rule-13, subject to which the lease is issued;
 - (f) set out the approved program of mining operations; and
 - (g) contain such other particulars as the Licensing Authority, either generally or in any particular case, may determine.

(3) A coal mining lease shall be substantially in the form set out in these rules and may include such additional clauses, not inconsistent with these rules and not repugnant to the Act, as the Licensing Authority may consider necessary.

- (4) A lessee shall pay in respect of the issuance of the lease -
- (a) to the licensing authority, all fees specified in the First Schedule; and
 - (b) stamp duties and registration charges in accordance with the relevant laws.

52. Rights of Lessee: (1) Subject to these Rules and the conditions of the lease, a mining lease for coal shall confer on the lessee -

- (a) the exclusive right to carry on mining operations for coal in the mining area in question;
- (b) the right to enter and occupy the land which comprises the mining area for the purpose of carrying on mining operations for coal referred to in clause(a), and exploration operations in relation to coal exploration;
- (c) the right to carry on exploration operation in the mining area in conjunction with mining operations such as are referred to in clause (a) above;
- (d) the right to remove from the mining area coal, from any place where it was found or mined in the course of mining operations as referred in clause(a) or found or incidentally won in the course of exploration operations referred in clause(b), to any other place within or outside the Province or, subject to such other permission as may be required under any relevant law, to any place outside Pakistan;
- (e) the right to take and divert water on or flowing through such land and use it for any purpose necessary for mining operations subject to and in accordance with the provisions of the relevant laws;

- (f) the right to sell or otherwise dispose off coal deposit subject to any condition of the mining lease or agreement relating to the satisfaction of the internal requirements of Pakistan; and
- (g) the right, subject to sub-rule (2), to do all other things and carry on such other operations, including the erection or construction of ancillary works, as may be reasonably necessary for, or in connection with, the mining or exploration operations, removal, selling or disposal contemplated in clauses (a), (b), (c), or (e).

(2) The license holder shall not erect or construct any ancillary works in retention area, as may reasonably necessary for, or in connection with any operation, without prior consent of the Licensing Authority, either conditionally or subject such conditions as the authority may impose.

53. Application for Renewal of Mining Lease: (1) Subject to sub-rule (2), the provisions of Rules-47 and 49 shall apply mutatis mutandis in relation to an application for the renewal of a coal mining lease under this rule.

(2) An application for the renewal of a coal mining lease shall be made not later than six months before the date of expiry of the coal mining lease or such later date, but not later than such date of expiry, as the Licensing Authority may allow.

(3) Subject to sub-rule (4), upon an application duly made for the renewal of a coal mining lease, the lease may be renewed as provided in Rule-49 with or without a variation of the conditions of the lease, and upon payment of specified fee.

(4) The Licensing Authority shall not grant a renewal of a coal mining lease if coal in workable quantities do not remain to be mined and cannot be mined on a profitable basis.

54. Obligations of Lessee: (1) Subject to these rules, a lessee shall -

- (a) commence operations within six months of the issuance of lease and carry on mining operations in the mining area as per approved plan for development and operation of mine in accordance with standard mining practices;
- (b) take all reasonable steps necessary to secure the safety, welfare and health of personnel employed for the purpose of mining operations and to protect the environment;
- (c) maintain in good condition and repair all structures, equipment and other goods in the mining area and to be used in connection with the mining operations;
- (d) remove from the mining area all structures, equipment and other goods not used or intended to be used in connection with the mining operations;
- (e) take reasonable steps to warn persons who may, from time to time, be in the vicinity of any such structures, equipment or other goods of the possible hazards resulting therefrom;
- (f) intimate the Licensing Authority the discovery of mineral deposit other than coal, within fifteen (15) days after making a discovery of that mineral necessary for generation of nuclear energy, but not limited to uranium, thorium, zirconium, niobium, hafnium, lithium and vanadium, also intimate the Pakistan Atomic Energy Commission;
- (g) allow existing and future title holders of any area which, is comprised in, or adjoins or is reached by the area to which his/their title relates, all reasonable facilities of access thereto.

(2) Where pursuant to sub-rule(1) (f), the lease holder intimates the discovery of any mineral other than coal, the lessee may, within three months of such intimation, apply to the concerned authority for grant of license or lease of that particular mineral.

(3) The lessee who contravenes or fails to comply with the provisions of sub-rule (1) shall be guilty of an offence and be liable with a fine which shall not be less than hundred thousand rupees or more than five hundred thousand rupees, in addition to the rectification of the default within the time given by the licensing authority.

(4) The lessee shall have no right in respect of any coal deposit referred to in sub-rule(1) (f) without the agreement of Pakistan Atomic Energy Commission.

55. Notice of Cessation of Mining Operations: (1) Where the lessee intends to temporarily cease mining operations, or to reduce the normal rate of production, the lessee shall give notice in writing of that intention to the Licensing Authority on a date not later than thirty (30) in case of intended discontinuation of mining operations, or reduction of production.

(2) If, for any reason beyond the control at any time, the lessee temporarily ceases mining operations, or reduces the normal rate of production, the lessee shall intimate the licensing authority of such

temporary cessation or reduction along with reasons therefor as soon as possible after such cessation or reduction.

56. Action by Licensing Authority: (1) On receipt of a notice referred to in Rule-55, or if the Licensing Authority has reason to believe that lessee has ceased mining operations, whether permanently or temporarily, or reduced mining operations, without any justified reason, the licensing authority may cause the matter to be investigated, and -

(a) give its approval on such conditions, as the Licensing Authority may determine, to the cessation or reduction; or

(b) refuse its approval on reasonable grounds and give such directions to the lease holder as the Licensing Authority deems appropriate.

57. Unit Development: (1) This rule applies where the licensing authority determines that -

(a) in the interest of the effective recovery of coal deposits from neighboring or contiguous mining areas; or

(b) to secure the rational development and ultimate recovery of any other mineral from neighbouring or contiguous mining areas,

the licensing authority allow the lease holders in respect of those areas to coordinate their operations or develop their deposit as one unit based on the feasibility report.

(2) The licensing authority shall after the receipt of application(s) from the lease holder(s) in this behalf, direct in writing the lease holders to enter into an Agreement within a period specified in the direction for or in relation to the coordination of their operations or the development of their deposit as a unit.

(3) Before giving any direction under sub-rule (2), the Department shall afford each lease holder a reasonable opportunity to make representations to the licensing authority in writing with regard to the proposed direction.

58. Records to be kept and reporting by Lessee: (1) The lessee shall prepare and keep at an address in the Province of Sindh, in a form acceptable to the Licensing Authority, proper records of -

(a) the mining operations referred to in sub-rule (1) of rule-52, regarding -

(i) the nature, appraisal and results of all mining operations for coal carried out in the mining area;

(ii) the nature and mass or volume of coal in the mining area and treated or stockpiled in the mining area or elsewhere;

(iii) the nature, mass or volume and value of the coal being sold or otherwise disposed of, the amount received and, the full names and addresses of the company or any person to whom coal was sold or otherwise disposed of;

- (iv) the nature, mass or volume of any waste removed from the mining area and the manner in which it was disposed of;
 - (v) the personnel employed by the lease holder for the purpose of coal mining operations, including their names, address, nationality and age;
 - (vi) the capital and operating expenditure incurred by the lease holder during the course of coal mining operations;
 - (vii) a statement of income derived and expenditure incurred, in respect of each quarter of the coal mining lease, in the mining area and such other financial statements as the licensing authority may require;
- (b) the exploration operations referred to in sub-rule(1) (b) of Rule-52 including -
- (i) the nature, location and results of all photo-geological studies, imaging, geological mapping, geo-chemical sampling, geophysical surveying, drilling, pitting and trenching, sampling and bulk sampling, and all other activities undertaken by lessee during the course of exploration operations for coal;
 - (ii) the results of all analytical, metallurgical and mineralogical work incidental to such exploration operations;
 - (iii) the interpretation and assessment of the studies, surveys and work carried out in the area for exploration of coal;
 - (iv) the nature, mass or volume and value of any other mineral found or incidentally won in the course of such exploration operations;
 - (v) the nature, mass or volume and value of any mineral sold or otherwise disposed of, the amount received and the full name and address of any person to whom such mineral was sold otherwise disposed of;
- (2) The lessee shall also cause to be prepared by a registered mine surveyor, accurate plans and maps in respect of the mining area and such plans and maps shall be kept in the office of the mine.
- (3) The lessee shall submit within fifteen (15) days after the end of each quarter in a form acceptable to the Licensing Authority, a return containing in relating to such quarter -
- (i) details of the particulars and information contained in the records referred to be in sub-rule (1) as may be required by the Licensing Authority by notice in writing to the lease holder;
 - (ii) all information, including photographic tabulations, tapes and discs, in the record referred to in sub-rule(1) and the plans, maps referred to in sub-rule(2);
 - (iii) annual statement of income, expenditure and of any other financial statement in relation to the exploration and mining operations carried out by the lease holder;
 - (iv) estimate of the remaining coal reserves in mining area properly illustrated by way of plans and maps according to an appropriate scale;
 - (v) particulars of any proposed mining operation and exploration operations during the succeeding year, together with a forecast of the source of such mining operations in terms delineated coal reserves; and
 - (vi) such other reports, records and information the Licensing Authority may require in relation to the mining operations and exploration operations carried out by the lease holder in the mining area.

(4) The lessee shall submit to the licensing authority within sixty (60) days after end of each calendar year, returns or reports in duplicate and in a form acceptable to the Licensing Authority, which shall contain following information to that year:-

- (i) summary of particulars and information contained in the records referred to in sub-rule(1) as may be required by the Licensing Authority;
- (ii) all information, including photographs, tabulations, tapes and discs, in the records referred to in sub-rule(1) and the plans and maps referred to in sub-rule(2);
- (iii) the annual statement of income and expenditure and of any other financial statements;
- (iv) estimate of the remaining coal reserves in the mining area in question properly illustrated by way of plans and maps according to an appropriate scale;
- (v) particulars of any proposed mining operations and exploration operations during the succeeding year, together with a forecast of the source of such mining operations in terms of delineated coal reserves; and
- (vi) such other reports, records and information as the Licensing Authority may require in relation to the mining and operations carried out by the lease holder in the mining area.

(5) In the event of cancellation or surrender of mining lease under Rule-59 or Rule-60 or the expiry of a mining lease, the lessee immediately before such cancellation, surrender or expiry shall, on a date not later than one hundred eighty (180) days of the cancellation, surrender or expiry, deliver to the licensing authority -

- (a) all records kept in accordance with sub-rule(1);
- (b) all maps and plans referred to in sub-rule (2);
- (c) all reports, photographs, tabulations, tapes and discs prepared by or on behalf of such person in the course of such exploration operations; and
- (d) such other books, documents, records and reports as the licensing authority may require, or copies of the records referred to in clause (a) to (c).

DIVISION 6 CANCELLATION AND SURRENDER OF COAL TITLES

59. Cancellation of Coal Titles: (1) Subject to this rule, where the holder of a coal title -

- (a) fails to use in good faith the land subject to the coal title for purpose for which the title was granted;
- (b) uses that land for any purpose other than the purpose for which the coal title was granted;
- (c) fails to comply with any requirement of these rules with which the holder is bound to comply;
- (d) fails to comply with a condition of the coal title;
- (e) fails to comply with a direction lawfully given under these rules or with a condition on which any certificate of surrender is issued or on which any exemption or consent is given under these rules; or
- (f) fails to pay any amount payable by holder of coal title under these rules within a period of thirty (30) days after the amount becomes due,

the Licensing Authority may cancel the coal title on that ground, by notice in writing served upon the holder.

(2) Before canceling a coal title under sub-rule (1), on a ground referred to in that sub-rule, the Licensing Authority shall -

- (a) by notice in writing served upon the holder of a coal title, give not less than thirty (30) days' time of its intention to do so, cancel the coal title on that ground;
- (b) specify in the notice, a date before which the holder of the title may, in writing, submit any matter which company or person wishes the licensing authority to consider; and

(c) take into account -

(i) any action taken by the holder of a coal title to remove that ground or to prevent the recurrence of similar grounds; and

(ii) any matter submitted to the authority by the coal title holder pursuant to clause (b).

(3) The Licensing Authority shall not cancel a coal title under sub-rule (1) on a ground referred to in clause (f) thereof, if before the date specified in the notice referred to in sub-rule(2), the holder of coal title pays the due amount concerned together with any mark-up or penalty arising pursuant to sub-rule(2) of Rule-98.

(4) The Licensing Authority may, by notice in writing served upon the coal deposit retention license holder, cancel the license if the holder fails to make application for a mining lease in accordance with a notice given to the holder under Rule-47(2).

(5) The Licensing Authority may, by notice in writing served upon a coal title or permit holder, cancel the title if the holder is:

(i) adjudged bankrupt; or

(ii) an order is made or a resolution is passed for winding up affairs of the company, unless the winding up is for the purpose of amalgamation or reconstitution and the Licensing Authority has been given notice thereof; or

(iii) if the coal title was obtained by fraud or misrepresentation.

(6) Where an application has been made under Rule-65 for the transfer of a coal title, or rights, or interests to, or in a coal title consequent on the death of an individual, who is coal title holder, the Licensing Authority shall not cancel the title unless it has refused to grant the transfer.

(7) Where a coal title is held by two or more persons, the Licensing Authority shall not, under sub-rule (5), cancel the coal title, on the occurrence of an event entitling the Licensing Authority to do so, cancel the coal title, unless the Licensing Authority is satisfied that any person or persons holding the coal title, are unwilling or would be unable, to carry out the duties and obligations of the holder of coal title.

(8) Upon cancellation of a coal title, the rights of the holder thereunder shall cease, but the cancellation, does not affect any liability incurred before the cancellation and any legal proceedings that might have been commenced or continued against the former holder of the title may be commenced or continued against that former holder.

60. Surrender of Coal Title: (1) The holder of a coal title who intends to surrender all or part of area of land subject to the coal title shall, not less than three months before the purposed date of surrender, apply to the Licensing Authority for the certificate of surrender in respect of the area of land.

(2) An application under sub-rule (1) shall -

(a) mention date on which the applicant intends to surrender the area;

(b) identify the area of land to be surrendered by a description and the inclusion of a map identifying that part, if only a part of the area of land subject to the title is to be surrendered;

(c) give particulars of reconnaissance, or mining operations, as the case may be, carried on in respect of the land to be surrendered; and

(d) be supported by such records and reports in relation to reconnaissance, exploration or mining operations, as the case may be carried out in the area to be surrendered, as the Licensing Authority may reasonably require.

(3) Subject to sub-rule (4), an application is made under sub-rule(1), the Licensing Authority shall issue a certificate of surrender in respect of the area of land to which the application relates either unconditionally or subject to such conditions as the Licensing Authority may specify in the certificate.

(4) The Licensing Authority, shall not issue a certificate of surrender -

(a) to an applicant who is in default;

- (b) to an applicant who fails to comply with any reasonable requirement of the licensing authority for the purpose of sub-rule(2) (d); or
- (c) if the Licensing Authority is not satisfied that the applicant will not leave the area of land to be surrendered and on which reconnaissance, exploration or mining operations have been carried out, which is safe and in accordance with good reconnaissance, exploration or mining practices.

61. Effects of Certificate of Surrender: (1) Where pursuant to rule 60(3) a certificate of surrender is issued, the Licensing Authority shall -

- (a) cause the title to be amended accordingly, if only a part of the land subject to a coal title is surrendered; and
- (b) cause the coal title to be cancelled, in any other case; and, in either case, the Licensing Authority, shall give notice in writing to the applicant for amendment, or as the case may be, the cancellation and issue of certificate of surrender.

(2) Area of land, in respect of which a certificate of surrender is issued, shall be treated as surrendered with effect from the date on which notice of the surrender is given to the applicant pursuant under sub-rule(1).

(3) The surrendered area does not affect any liability incurred before the date on which the surrender has taken effect in respect of the land and any legal proceedings that might have commenced against the title holder.

DIVISION 7 REGISTRATION AND TRANSFER OF COAL TITLES

62. Titles Register: The licensing authority shall maintain a record in a Titles Register, and kept for the purpose of every coal title(s) issued, and of any dealings with, or affecting, a coal title specifying -

- (a) coal title number;
- (b) the name and address of the title holder;
- (c) date of grant and the duration of title;
- (d) total area of coal title;
- (e) location and boundaries of the land of coal title;
- (f) date of renewals (if any);
- (g) annual surface rental, rate of royalty and fees payable;
- (h) date of assignment or transfer of the title (if any);
- (i) date of surrender, amendment or cancellation of the title (if any);
- (j) such other information as the licensing authority may require.

63. Inspection of titles register: The title register shall be open for inspection by the coal title holder, who may take copies of any license or entry in the register on payment of appropriate fee as shall, from time to time, be notified by licensing authority.

64. Titles Register may be rectified: Where the Licensing Authority is satisfied that there has been a mistake made in or that some matter has been incorrectly entered in, or omitted from the title(s) register, it shall rectify the register by correcting that mistake or incorrect entry.

65. Approval of Transfer or Assignment of Coal Title: (1) A transfer of, or assignment of rights of interest to or in, a coal title shall have no effect, unless -

- (a) the Licensing Authority in writing approves a transfer of, or assignment of rights of interest to or in, a coal title; and
- (b) transfer of, or assignment of rights of interest to or in, a coal title, to a company or a person, as the case may be, is capable of holding the title under these rules.

(2) Where an application is made to the Licensing Authority for any approval, referred to in sub-rule (1)(a), the Licensing Authority may, subject to sub-rules (3) and (4), give its approval, subject to such conditions as it deems necessary in the circumstances to impose but the Licensing Authority shall not unreasonably withhold its consent.

(3) The Licensing Authority shall not give its approval to any of the dealings referred to in sub-rule (1) with a reconnaissance license, or, subject to sub-rule(4), to any dealing with an exploration license during the first two (2) years of its term, unless the Licensing Authority considers that there are special reasons for giving such approval; or unless the Licensing Authority is satisfied on reasonable grounds that the proposed assignee, or transferee is capable and possess the financial and technical resources to undertake the obligations under the coal title.

(4) An application under this rule shall -

- (a) be in the Form (as prescribed by the Licensing Authority) and shall be accompanied by the fee set out in these rules;
- (b) contain the name of company and particulars of its incorporation and registration, full name and address of the directors, officers and if the company has a share capital, the authorized, subscribed and paid up capital along with full name and address and nationality of any person, who has the controlling interest in the affairs of the company and is the beneficial owner or holds more than twenty five per cent share of the issued capital;
- (c) contain detailed plans for development and operation of the mine and the program of proposed mining operations;
- (d) furnish such particulars as may be necessary to determine the applicant's technical and financial resources, including but not limited to, the company's audited financial statements, and, where applicable, those of any person contractually engaged to provide such resources, and copies of relevant contractual agreements;
- (e) be accompanied by an unconditional undertaking by the proposed assignee, or transferee to assume all the obligations of the proposed assignor and to comply with all the terms and conditions if approval for the assignment is granted.

(5) The Licensing Authority may require any company for any approval such as is referred to in sub-rule(1), to furnish such information as it may reasonably require enabling it to dispose of the application and the applicant shall comply with the requirement.

DIVISION 8 MISCELLANEOUS PROVISIONS

66. Force Majeure: (1) Any failure on the part of the coal title holder to fulfill any of the conditions of title, or to meet any requirement of these rules, shall not be treated as a breach of holder's coal title or these rules in so far as the failure arises from an act of war, hostility, insurrection, or an act of Allah, or from any other cause specified in the conditions of the coal title as constituting force majeure for the purpose of this rule.

(2) Where the holder of a coal title fails to fulfill any of the conditions of the coal title as a result of the occurrence of any circumstance referred to in sub-rule (1), the holder shall forthwith give notice to the Licensing Authority giving particular of the failure and its causes.

(3) The Licensing Authority may, upon application made to it by the coal title holder referred to in sub-rule(2) who has been prevented from exercising any rights under the coal title for the period in the circumstances referred to in sub-rule (1), extend by notice in writing the period for which the coal title in question has been issued for such reasonable period and on such terms and conditions as may be determined by the authority.

(4) The Licensing Authority may refuse an application referred to in sub-rule(3), If the holder of the coal title in question, could by taking responsible steps, which were available to the holder, have exercised the rights concerned during that period.

(5) The provisions of this rule shall not be construed as exempting any coal title holder from complying with any obligation under the coal title or these rules to pay royalties, annual charges, surface rent, security deposit or fees.

67. Joint Liability: Where a coal title is held by more than one holder, the liability of the holders under these rules and the title, in respect of any breach thereof, shall be joint and several without prejudice to any right of contribution, which a particular holder may have against any other holder in respect of the breach.

68. Competitive Bids: (1) Subject to provision of these rules, the Licensing Authority may invite competitive bids -

- (a) for issue of an exploration license or a mining lease in respect of any area of land which is not subject to:-
 - (i) a coal title or coal permit which gives the holder an exclusive right under these rules;
 - (ii) litigation or arbitration;
- (b) on an area of land having proven coal reserves and becomes available for the issue of an exploration license or coal mining lease as a result of the surrender, cancellation of license or mining lease with respect to that area of land.

and may, in accordance with these rules, issue the appropriate coal title to the successful bidder.

69. Performance Guarantees: (1) A company shall, at the time of the grant of a coal title, other than a reconnaissance license, furnish the Licensing Authority, security in form of an unconditional and irrevocable performance (bank) guarantee from a scheduled Bank in Pakistan, for compliance with the holder's obligations under these rules and the terms and conditions of the title/agreement.

(2) The amount of the Performance Guarantee shall be determined by the Licensing Authority, from time to time, after taking into consideration the requirements of the coal title, the magnitude of operations, dues payable to Government and safety and security of the people involved with the operations. The existing rate of the performance guarantee has been provided in the First Schedule.

70. Indemnity: (1) A coal title holder shall indemnify Government against all claims, demands, injury or damage of any kind (including, but not limited to, claims for loss or damage to property or injury or death to persons) resulting from any act or omission by the holder in the conduct of exploration or mining operations for coal.

(2) The officers and officials exercising their powers and performing their functions shall not be liable for anything done or omitted to be done in good faith in the performance of any function vested in or delegated to them under these rules.

71. Appeal: (1) Any licensee or lessee aggrieved by a decision of the Licensing Authority, in respect of any matter or dispute regarding the coal title may, within thirty (30) days of the date of that decision, prefer appeal against that decision to the Secretary, Energy Department for a review of that decision, but bringing of the appeal will not affect the operation of decision, pending disposition of the appeal.

(2) The Secretary, Energy Department shall review the decision referred to in sub-rule (1) and -

- (a) shall consult with the coal mines committee on the matter; OR
- (b) may call hearing of aggrieved person or company in the presence of Licensing Authority or in such a manner as deemed fit;
- (c) may rescind or affirm the decision of Licensing Authority or may make new decision in substitution thereof; and
- (d) shall give a decision within thirty (30) days after the date on which the appeal is brought.

(3) Any company, which is aggrieved by a decision of the Secretary, Energy Department under sub-rule(2)(c), may apply to the Court for a judicial review of that decision.

72. Rights over Data: (1) Subject to sub-rule(2), Government shall have the exclusive right to all data including geological, geophysical, geochemical, petrochemical, engineering, pit logs, maps, magnetic tapes, cores and production data, as well as all interpretative and derivative data including reports, studies, analyses, interpretations, bulk sampling results, assaying results, evaluations and other information in respect of exploration or mining operations.

(2) A coal title holder shall have the right to make use of the data referred to in sub-rule(1), free of cost for the purpose of exploration or mining operations and to retain copies or samples of material or information constituting the data subject to sub-rule (3).

(3) The data permitted to be used or retained as provided in sub-rule (2), which is not in the public domain, shall not be disclosed to any person without the prior consent of the licensing authority, except as may be necessary for the purpose of, or in connection with, exploration and mining operations, or as required by law, or for the purpose of arbitration or litigation.

**PART IV
SMALL SCALE COAL MINING**

DIVISION 1-GENERAL

73. Small Scale Coal Mining: For the purpose of these rules, "small scale coal mining" means mining determined by the Licensing Authority to be small scale mining by the reason of -

- (a) an area not exceeding 20 square kilometers;
- (b) likely scale of capital investment being less than 200 million;
- (c) the expenditure and work program(s) proposed by the applicant;
- (d) nature of the techniques to be used in coal mining operations; and
- (e) such other factors as may be relevant to making the determination.

74. Who may hold coal permit: Any company or other entity may not hold a coal permit unless the company or other entity registered under the laws of Pakistan and is owned by a citizen of Pakistan or in case of foreign company, whose articles of association contain provisions that citizens of Pakistan may own shares in the company;

75. Application for Coal Permit: (1) An application for the grant of coal permit -

- (a) shall be made to the Licensing Authority;
- (b) shall be in a form approved by the Licensing Authority;
- (c) shall be accompanied by fee specified in the First Schedule; and
- (d) may be withdrawn by the applicant by notice in writing to the licensing authority.

(2) The Licensing Authority may at any time after the receipt of an application for coal permit made under this rule, require the applicant by notice in writing to -

- (a) furnish to the licensing authority within such a reasonable time period as may be specified in the notice with-
 - (i) such information as may be described in the notice to enable the authority to determine that, who possesses the controlling interest in the affairs of the company; or
 - (ii) such other information as may be described in the notice, as the licensing authority may deem necessary for purposes of considering the application;
- (b) publish in such manner as may be specified in the notice, contents of the application in relation to -
 - (i) the full name(s) of the applicant(s);
 - (ii) the area alongwith coordinates;
- (c) to furnish within such periods as may be specified in the notice, with such proposals, by way of alternative to or in addition to, proposals set out in the application.

**DIVISION 2
COAL EXPLORATION PERMIT**

76. Rights of Licensee: (1) Subject to sub-rule(2) and (3), the holder of coal exploration permit shall be entitled-

- (a) to carry on exploration operations for coal;

(b) with permission of the licensing authority, to sell or dispose of coal found in the course of carrying out exploration operations; and

(c) to do all such other acts and things as are necessary for, or reasonably incidental to, carrying out the exploration operations.

(2) The holder of an exploration permit shall not exercise the rights conferred under sub-rule (1) -

(a) in respect of land forming part of exploration area in relation to which an exclusive right has been conferred upon any person in respect of coal;

(b) on exploration area, a mining area, a retention area or in an area subject to a coal permit; or

(c) on land in relation to which an application is pending for an exploration license, a coal deposit retention license, a coal lease or coal permit.

(3) An exclusive right referred to in sub-rule (2) shall not be granted in respect of any area of land to which a coal permit has been granted, to carry on reconnaissance, exploration or, as the case may be, mining operation for the coal.

(4) The provisions of Rule-14 (restriction on exercise of holder's rights) shall apply with necessary modifications in relation to an coal exploration permit.

(5) Except for the purpose of -

(a) conducting a coal analysis;

(b) conducting test on a coal; or

(c) determining the value of a coal,

the holder of an coal exploration permit shall not remove coal from the land where it was found in the course of carrying out exploration operations referred to in sub-rule (1) with the written permission of Licensing Authority and shall, when so removing coal, comply with such conditions as the Licensing Authority may specify in that permission.

(6) The provisions of Rule-13 shall apply, with necessary modifications in relation to an exploration permit.

77. Application for Exploration Permit: Any Company or other entity shall submit application for the grant of an exploration permit for coal and It shall contain -

(a) name of company, particular of its incorporation and registration, its registered address and principal place of business of the company in the Province of Sindh and the names, address and nationality of directors and shareholders of the company;

(b) shall be accompanied by such documents as the licensing authority may require in relation to any matter referred to in this rule; and

(c) shall be made in respect of an area of land not exceeding 20 square kilometers;

(d) may contain any other matter which, in the opinion of the applicant, is relevant to the application.

78. Disposal of Application for Exploration Permits: (1) Upon receipt of an application for an exploration permit, the Licensing Authority may, subject to these rules, grant the permit on such conditions as the Licensing Authority may determine, or refuse to grant the permit.

(2) The Licensing Authority shall not grant an exploration permit for coal under sub-rule(1) unless -

(a) the applicant is a company or other entity as referred in Rule-74; and

(b) the Licensing Authority is satisfied that the company or other entity is a capable to hold and carry out exploration operations in accordance with these rules.

(3) Where the Licensing Authority grants an application under sub-rule(1) and the applicant accepts the conditions on which the application is granted the Licensing Authority shall, upon payment of the fee specified, issue the exploration permit for coal which shall -

(a) contain full names and address of the permit holder;

(b) state the date on which it is issued;

- (c) state the conditions on which it is issued;
- (d) contain a description and plan of the area in respect of which it is granted;
- (e) contain such other matter as the Licensing Authority may determine, either generally or in any particulars case.

79. Duration of Exploration Permit: Subject to these rules, coal exploration permit shall be valid for the period of two years, from and including the date on which it is issued.

80. Exploration Permit may not be transferred: An exploration permit for coal shall not be transferred or renewed, and the holder of exploration permit shall not transfer, or assign any interest in, or right to any other company or entity.

81. Records to be kept and Reporting by Licensee: The Licensee -

- (a) shall keep at an address in the Province of Sindh, a proper record in a form as acceptable to the Licensing Authority in relation to:-
 - (i) the nature and mass or volume of coal found in the course carrying out exploration operations;
 - (ii) the nature, mass or volume of coal disposed of and the full names and address of such company or persons to whom coal was disposed of;
 - (iii) all maps, geological reports, including in interpretations, mineral analysis, photographs, ore logs, analyses and test and all other data obtained by the holder in respect of land subject to the permit; and
 - (iv) such other information as may be determined by the licensing authority and specified notice in writing given to the holder.

and shall retain such records and copies for a period of not less than three years as from the date of expiry of the permit; and

- (b) shall, upon the request of Licensing Authority or an authorized officer, produce the record referred to in clause (a) or copies thereof, to the licensing authority or authorized officer for inspection.

DIVISION 3 COAL MINING PERMIT

82. Rights of Lessee: (1) Subject to these rules and the conditions of the permit, a coal mining permit shall confer on the permit holder -

- (a) the exclusive right to carry on mining operations for coal in the mining area in question;
- (b) the right to enter and occupy the land which comprises the mining area for the purpose of carrying on mining operations for coal referred to in clause (a), and mining operations in relation to coal mining;
- (c) the right to carry on exploration operations in the mining area in conjunction with mining operations such as are referred to in clause (a) above;
- (d) the right to remove coal from the mining area, from any place where it was found or mined in the course of mining operations as referred in clause (a) in the course of mining operations referred in clause (b), to any other place within or outside the Province or, subject to such other permission as may be required under any relevant law, to any place outside Pakistan;
- (e) the right to take and divert water on or flowing through such land and use it for any purpose necessary for mining operations subject to and in accordance with the provisions of the relevant laws;
- (f) the right to sell or otherwise dispose of coal deposit subject to any condition of the mining lease; and

(g) the right, subject to sub-rule (2), to do all other things and carry on such other operations, including the erection or construction of ancillary works, as may be reasonably necessary for, or in connection with, the mining or exploration operations, removal, selling or disposal contemplated in clauses (a), (b), (c), or (e).

(2) The permit holder shall not erect or construct any ancillary works in retention area, as may reasonably be necessary for, or in connection with any operation, without prior consent of the Licensing Authority, either conditionally or subject such conditions as the Licensing Authority may impose.

(3) The provisions of Rule-14 (restrictions on exercise of rights) shall apply with necessary modifications in relation to a coal permit.

83. Application for Mining Permit: (1) Any company or other entity shall submit application for the grant of a coal mining permit, which shall contain following: -

(a) particulars those referred to in Rule-77(a), including the following -

- (i) coal title or coal permit held by the applicant alone or jointly with other company or a person; and
- (ii) any exploration and mining operations carried on by the applicant alone or jointly with any other company or a person outside the Province of Sindh, during a period of last five years;
- (iii) where no such titles or permits are or were held or operated, particulars of any current involvement by the applicant in reconnaissance, exploration or mining operation outside Sindh;

(b) shall state the period not exceeding ten years for which the permit is required;

(c) shall describe the area not exceeding 20 square kilometers over which the permit is required and contain a sketch plan with sufficient details of identified area;

(d) shall contain particulars of -

- (i) condition of, and any existing damage to, the operations on the environment in the area;
- (ii) the anticipated effect of the proposed mining operations on the environment and the proposed steps to be taken in, order to minimize or prevent any such effect; and
- (iii) the manner in which it is intended to prevent pollution, to deal with any waste, to safeguard the coal resources, to reclaim and rehabilitate land disturbed by way of the exploration and mining operations and to minimize the effect of those operations on land adjoining the land subject to the permit;

(e) shall describe the coal deposit in the area of land over which the permit is sought;

(f) shall contain particulars -

- (i) of the program of mining operations, the estimated expenditure in respect thereof, the period within which the operations will be commenced and carried out, including the expenditure to be incurred thereon;
- (ii) technical and financial resources held by the applicant to carry out the proposed mining operations;

(g) shall be accompanied by such documents as the licensing authority may require in relation to any particulars referred to in this rule; and

(h) may contain any other matter, which in the opinion of the applicant, is relevant to the application.

84. Disposal of Application for Mining Permit: (1) Subject to these rules, upon receipt of an application for grant of a mining permit for coal, the Licensing Authority may grant the coal mining permit subject to such conditions as authority may determine, or refuse to grant the permit.

(2) The Licensing Authority shall not grant a coal permit under sub-rule (1) -

- (a) if the applicant company has been required under rule 85 to apply for a coal mining permit;
- (b) unless the applicant is a company or other entity referred to in Rule-74;
- (c) in respect of land forming part of a reconnaissance area in relation to which an exclusive right referred to in Rule-16(3) has been conferred on any company in respect of coal;
- (d) in respect of an exploration area, a mining area, a retention area or an area subject to a coal permit;
- (e) in respect of any land in relation to which an application is pending for an coal exploration license, a coal deposit retention license, a coal mining lease or a coal permit unless any such application is rejected or withdrawn;
- (f) if the Licensing Authority has reasonable grounds to believe that deposits of coal, in respect of which the application is made, have not been discovered in commercial quantities within the applied area of land;
- (g) if the Licensing Authority has reasonable ground to believe that the applicant does not intend to carry out in good faith, within the limits of his competence and resources, mining operations in that mining area; or
- (h) if at the time of the application, the applicant is in default unless the Licensing Authority is satisfied on reasonable grounds that notwithstanding the default, special circumstances exist which justify the grant of the permit.

(3) Where the Licensing Authority grants a mining permit under sub-rule (1) and the applicant accepts the conditions on which the application is granted the Licensing Authority shall, upon payment of the fee specified in the First Schedule, issue the mining permit which shall -

- (a) contain the full names and address of the permit holder;
- (b) state the date on which and the period for which it is granted;
- (c) contain a description and plan of the area to which the permit relates giving details of the area to be clearly identified;
- (d) state the conditions subject to which the permit is granted;
- (e) contain such other particulars as the licensing authority may determine either generally or in particular case; and
- (f) contain a statement of the program of the operations in relation to mining of coal to be carried out and expenditure to be made by the holder of the permit, and the period within which the operations will be carried out.

85. Requirement to Apply for Mining Lease: (1) Where a company or other entity applies for a coal permit, the Licensing Authority may, subject to this rule, require the applicant to apply for a coal lease instead of a coal permit, if the Licensing Authority determines, having regard to Rule-73, that the application is not in respect of small scale mining.

(2) Before requiring an applicant to apply for a mining lease the licensing authority shall -

- (a) give notice in writing to the applicant of the authority's intention stating the reason therefor;
- (b) afford the applicant an opportunity within such reasonable period as is specified in the notice to make representation with regard to that intention; and

(c) take into account any representation so made.

(3) Subject to Rule-83(2)(a), an applicant for coal mining permit shall not incur any liability under these rules if he fails to comply with a requirement under sub-rule(1).

86. Duration of Mining Permit: (1) Subject to these rules, a coal mining permit -

(a) shall be valid for the period not exceeding ten (10) years or the period representing the estimated life of the mine, whichever is the lesser, as determined by the Licensing Authority on the basis of available data and specified in the permit and for the period of any renewal thereof; and

(b) may be renewed for such further periods not exceeding five (05) years on each occasion or the period representing the estimated life of the mine, whichever is the lesser as may be determined by the licensing authority on the basis of available data and specified in the instrument of renewal.

(2) Notwithstanding the provision of sub-rule (1) but subject to these rules, where an application is made by a mining permit for coal for further renewal of the permit in relation to an area of land in, or which constitutes the area subject to the permit and in respect of coal to which the permit relates, shall not expire while application is being considered until the application is refused or withdrawn, whichever first occurs.

87. Application for Renewal of Mining Permit: (1) Subject to sub-rule (2), the provisions of Rule-83 and Rule-84 shall apply, with necessary modifications in relation to an application for the renewal of a coal mining permit.

(2) An application for the renewal of a mining permit shall be made not later than twelve months before the date of expiry of the permit or such later date, but not later than such date of expiry as the Licensing Authority may allow.

88. Directions to Lessee. (1) The Licensing Authority may, with due regard to good mining practices, by notice in writing to the lessee, give directions to the lessee in relation to -

(a) the carrying out mining operations including any works connected therewith;

(b) the conservation of natural resources, including coal deposit and the prevention of the waste of such resources;

(c) the protection and preservation of the surface of mines or works and of buildings, roads, railways and other structures and enclosures on or above the surface of land, and the conditions under which any such buildings, roads, railways, structures and enclosures may be undermined;

(d) the construction, erection, maintenance operation, use of electronic weighbridge with CCTV, real time communication or removal of structures, equipment and other goods, used in connection with the exploration, mining or conveyance of coal;

(e) the protection of the environment including the prevention and combating pollution of the air or land which arises or may possibly arise in the course of the operations involved in exploration or mining for coal or after such operations have ceased;

(f) the making of safe undermined ground and dangerous slimes, tailings,, dams, waste dumps, ash dumps, shafts, holes, trenches or excavations of whatsoever nature made in the course of exploration or mining operations; and the proper abandonment of mines;

- (g) the taking, preservations and furnishing to the Licensing Authority of cores, cuttings of samples of coal (rocks) from mines or excavations;
- (h) the submission to the Licensing Authority of reports, returns and other information;
- (i) the taking of logs or directional surveys or the making of other investigations;
- (j) the creation of safety zones in relation to structures erected on land to which the coal mining lease relates; and
- (k) the cessation of coal operation to the extent of title upon any encroachment by the holder of coal mining permit any area not included in the coal title.

(2) Where the Licensing Authority is satisfied that the lessee has failed to comply with any direction specified in a notice under sub-rule (1) within the period so specified or such further period as the Licensing Authority may in writing allow on good cause shown, it may

- (a) take such steps as may be necessary to comply with the direction; and
- (b) recover from the mining permit holder, costs incurred in connection with the taking of such steps.

89. General Conditions of Mining Permit: (1) In addition to any condition contained in coal mining permit, the holder of mining permit shall -

- (a) exercise any right granted to the holder by or under these rules reasonably in such manner that the rights and interests of the occupier of any land to which the title relates are not adversely affected, except to the extent that the occupier is properly compensated;
- (b) employ technically qualified and competent persons to carry on the operation to which the title relates including, but not limited to, the preparation of any accounts, maps, plans, program, reports and studies, and the execution of any works required under these rules;
- (c) in the employment of all grades of employees, give preference to residents of Sindh and in particular to those residing within or in proximity, who possess appropriate qualification, expertise and experience for the purposes of the operations to be carried on under the coal title;
- (d) implement measures including appropriate training program in order to encourage and promote the education and development of residents of Sindh and in particular to those residing within or in proximity, in modern mining skills and to equip them for employment in the mining sector;
- (e) with due regard to the need to ensure technical and economic efficiency, make use of products equipment manufactured or produced, and services available, locally.
- (f) co-operate with other persons involved in the mining, to enable residents of Sindh, to develop skills and technology to render service in the interest of that industry in Sindh Province.
- (g) take measures to prevent damage to the environment, and where some adverse impact on the environment is unavoidable, take measures to minimize such impact;
- (h) make good, any damage caused to the environment as far as possible during the course of exploration or mining operations, and on the cessation of such operations due to expiry, or cancellation of the coal title or otherwise;

- (i) lessee may give to the licensing authority notice of any change in its company name, registered address, directors, share capital, memorandum or articles of association or constitution or of beneficiation ownership of more than five percent of the issued share capital, within thirty days of the change;
 - (j) carry out the coal operation in such a manner not to encroach on any area not included in the coal mining permit.
- (2) It shall be a condition of every coal title that -
- (a) before the commencement of coal mining operation within a reserved or protected forest -
 - (i) thirty days' notice in writing shall be given to the District Forest Officer of the intention to commence the operation;
 - (ii) the operation shall be conducted subject to condition that all surface operations conducted under the authority of these rules within a reserved or protected forest, or with regard to use of fire, shall be subject to such conditions as the Forest Department may notify by general or special order, from time to time, or otherwise;
 - (b) the lessee shall make such contributions to Government for the benefit of the local population to be used for such purposes as may be specified in the coal title or the coal agreement;
 - (c) on the termination, surrender or cancellation of the mining permit, the holder therefore, in accordance with good mining practices, shall -
 - (i) fill up all excavations on the land to which the title relates;
 - (ii) securely plug all mines on such land;
 - (iii) remove all equipment, installation and structures therefrom; and
 - (iv) take such action as may be necessary to restore the land in so far as possible, to its original condition and to prevent hazards to human or animal life or to the property of others or to the environment.
- (3) A coal permit may make provision -
- (a) for the pre-emption of coal by Government in such circumstances and on such conditions as are specified in the coal permit subject to the payment of the fair market price determined on the basis so specified; and
 - (b) for the disputes which may be settled by arbitration.

90. Cancellation of Mining Permit: The provisions of Rule-59 other than sub-rule (4) thereof, shall apply with necessary modifications in relation to the cancellation of a coal mining permit.

91. Surrender of Mining Permit: The provisions of Rule-60 and Rule-61 shall apply with necessary modifications in relation to the surrender of a coal mining permit.

92. Approval of Transfer of Mining Permit: The provision of Rule-65 shall apply with necessary modifications in relation to the transfer of, or assignment of rights or interest to or in a permit.

93. Records to be kept and reporting by Lessee: (1) The Lessee

- (a) shall keep at an address in the Province of Sindh complete and accurate records of the mining operations in the area of land subject to the permit in the form acceptable to the licensing authority, in relation to -
 - (i) the nature and mass or volume of coal found in the course of carrying out mining operations in the area of land subject to the permit;

- (ii) the nature and mass or volume of coal disposed of, and value of coal on which the coal has been disposed of;
 - (iii) all maps, geological reports, including interpretations, mineral analysis, serial photographs, core logs, analysis and tests and all other data obtained by the holder in respect of the area of land subject to the permit;
 - (iv) the expenditure incurred by the permit holder in the course of such operations in the mining area subject to the permit;
 - (v) accurate and systematic financial records of the holder's operations in the area of land subject to the permit and such other books of account and financial records as the licensing authority may in writing require; and
 - (vi) such other information as may be determined by the Licensing Authority by notice in writing to the lessee; and
- (b) submit to the Licensing Authority such reports, records and other information as the licensing authority may from time to time, in writing require concerning to conduct of operations in the area of land subject to the permit.

(2) In the event of expiry, surrender or cancellation of a coal mining permit, the company or other entity holding of such permit immediately before the expiry, surrender or cancellation shall, on a date not later than thirty (30) days thereafter, deliver to the Licensing Authority all times kept by the permit holder pursuant to sub-rule(1)(a).

(3) The holder of a mining permit shall also maintain record, accurate plans and maps in respect of the mining area, by a registered mine surveyor and such plans and maps shall be kept in the office of the mine site.

DIVISION 4 RECORDS IN RESPECT OF COAL PERMIT

94. Permits Register. (1) The Licensing Authority shall maintain a Permits Register, kept for the purpose of every coal permit specifying;

- (a) Mining Permit Number;
- (b) name and address of the permit holder;
- (c) particulars of permit holder, whether individual, firm or company;
- (d) date of grant of permit and period for which granted;
- (e) total area;
- (f) situation and boundaries of the area of land;
- (g) amount of security deposit;
- (h) particulars of development/exploitation scheme;
- (i) dates of renewals with periods;
- (j) date of assignment of the permit;
- (k) particulars of the assignee; and
- (l) remarks.

(2) The provisions of Rule-63 shall apply with necessary modifications in relation to the inspection of the Permit Register.

(3) The provision Rule-64 shall apply with necessary modification in relation to the rectification of the Permits Register.

PART V-FINANCIAL

95. Royalty on Coal: (1) Subject to this Part, the coal title or coal permit holder, who mines coal in the course of any exploration or mining operations carried out by the holder shall be liable to pay to Government royalty on coal disposed off by the holder, as determined in accordance with these rules.

(2) For the purpose of this Part, any coal is disposed off if it is-

- (a) sold, donated or bartered;
- (b) appropriated to treatment or other processing without having been dealt with as provided in sub-rule(a); or
- (c) exported from the province of Sindh without having been dealt with paragraph (a) prior to export.

96. Rate of Royalty: (1) Subject to this Part, royalty shall be charged on coal at such rate as may be prescribed by the Government from time to time.

(2) The existing rate of royalty on coal in Sindh Province is appended as Third Schedule.

97. Enhanced Royalty: Where pursuant to Rule-9, a coal agreement makes provision for the payment of royalty by the holder of coal title, at enhanced rates in respect of coal won, mined or found as provided in Rule-95, the enhanced rate of royalty shall be determined and payable in accordance in terms of the agreement; provided that the rate of royalty at any time shall not be less the rate specified in Rule-96.

98. Payment of Royalty. (1) Royalty in respect of coal found or mined as provided in Rule-95 and disposed off, shall be payable not later than thirty (30) days after the end of the calendar month in which the coal is disposed off.

(2) Where the holder of a coal mining lease or coal mining permit failed to pay any amount of royalty as required by sub-rule(1), a penalty calculated at the rate of three percent (3%) per month on the amount or any part thereof from time to time remaining unpaid, shall be payable from the due date of payment until all outstanding amounts are paid.

(3) Where any outstanding amounts of royalty and applicable penalty remain unpaid for a period of three (03) months from the due date of payment, the holder of the coal mining lease or coal mining

permit shall pay a further penalty of one percent (1%) on the outstanding amount of the royalty and the applicable penalty.

(4) The holder of coal mining lease or coal mining permit shall submit, in respect of each month and in such form, the details as the Licensing Authority may determine a return showing the quantity and volume of coal produced and disposed off and amount of royalty to be paid in respect thereof for that month.

(5) The royalty on coal dispatched from the coal mining areas will be realized through public auction, on the terms & conditions and procedure determined by the licensing authority and in case the auction does not materialize, the licensing authority may collect the royalty through any procedure as deemed fit, in the public interest.

99. Waiver or exemption of penalty on royalty: Subject to sub-rule (2), Government on the advice of the Department and with the concurrence of the Finance Department, on application made in writing by the holder of a coal title or coal mining permit, may by notice in writing to the holder of coal title or coal mining permit, waive off or exempt the penalty.

100. Powers of licensing authority in case of failure to pay royalty: If the holder of a coal title or coal mining permit referred to in Rule-95 fails to pay any amount of royalty in accordance with Rule-98, the Licensing Authority may by notice in writing to the holder, prohibit-

- (a) the removal of coal from the exploration area, coal mining area, retention area, or in the case of the holder of an exploration permit and coal mining permit from the place when the coal is found or mined.
- (b) any dealing in connection with coal mined from any such area or place until such time as the royalty has been paid.

101. Proof of amount payable under this Part. In any proceedings to recover any amount payable under this Part, a certificate of the Licensing Authority showing that the specified amount of money is payable under these rules by holder of coal title or coal mining permit, shall be received in evidence as a prima facie proof of the facts stated in the certificate.

102. Annual Rents and Renewal Fees. (1) The holder of a coal title or coal permit shall pay annual rents in respect of the area subject to coal title or mining permit:-

- (a) in case of the land belonging to Government in accordance with the Second Schedule and sub-rule (2);
- (b) in case of private land, to the owner or occupier of such land, as the case may be, at a prevailing rate under the revenue and rent laws relating to the District, where the land is situated or no such assessment can be made, at such rate as licensing authority may determine.

(2) Payment of the annual rent pursuant to sub-rule(1) in respect of a coal title or coal permit shall be made within thirty (30) days after the date of issuance of the coal title or coal permit and thereafter shall be made for each year before expiry of the term.

(3) Where holder of coal title or coal permit fails to pay any amount of annual rent of coal title or coal permit as required by this rule, a penalty calculated at the rate of the three percent (3%) per month on the amount or any part thereof, from time to time remaining unpaid, shall be payable from the due date of payment until all outstanding amount is paid.

(4) Where the holder of coal title or coal permit surrender a part of the coal title or coal permit, which entitles to a proportionate reduction of rent, but such reduction will not take effect during the half year in which the surrender takes place.

(5) The holder of a coal title or coal permit shall also pay to Government, in respect of private land occupied or used by that holder for the purpose of coal operation, water rates, if any, assessable under any irrigation rules which would have applied to the land if it had not been occupied for that purpose.

(6) A renewal fee in respect of the renewal of a coal title shall be paid in accordance with First Schedule.

103. Mode of payments. All amounts payable under these rules shall be deposited into Government Treasury or into any bank authorized by Government for the purpose, under the specified Head of Account and the receipt shall, in original, be provided to the Licensing Authority.

104. Submission of balance sheets. Every holder of a coal title or coal permit shall submit to the licensing Authority, at the end of every year, balance sheet account audited by a qualified and registered auditor.

105. Outstanding dues payable even after expiry of a coal title and coal permit holder. On the surrender, expiry or termination of a coal title or coal permit, the holder, shall be responsible for payment of all outstanding dues and other charges which, in the event of non-payment, shall be recoverable as arrears of land revenue.

PART VI MISCELLANEOUS

106. Compliance with Other Laws: Nothing in these rules shall be construed as authorizing the holder of a coal title or a coal permit to do anything —

- (a) which the holder is prohibited from doing under any law for the time being in force;
- (b) otherwise than in accordance with any such law regulating that thing, and for that purpose obtaining any permit, license, approval permission or other document required under any such law.

107. Retention of Fees: Where any application under these rules is refused, the application fee, which was paid at the time of the application, shall be retained to defer administrative costs.

108. Removal and Sale of Property: (1) Where a coal title or coal permit has been cancelled or surrendered, or has expired, or as the case may be, any area of land has ceased to be subject to the title or permit and the holder thereof has failed to comply with the requirements of these rules or the title or permit in relation to the removal of equipment installation or structure, the Licensing Authority may act in accordance with sub-rule (2).

(2) The Licensing Authority may, by notice in writing, direct the holder of coal title or coal permit immediately prior to the cancellation, surrender, expiration or cessation, to do any or all of the following:-

- (a) to demolish or remove any buildings or structures or to remove any equipment debris or other things specified in the notice;
- (b) to take such steps as may be necessary to remedy any damages to the land by any exploration or coal mining operations caused out by that person; and
- (c) to take such other steps as the authority deems necessary.

(3) Where coal title or coal permit holder referred to in sub-rule (2) fails to comply with a direction given under clause (a) of sub-rule (2) the property referred to in that clause shall be deemed to be the property of Government and the Licensing Authority may -

- (a) do cause to be done, all or any of the things required by the direction;
- (b) dispose of all or any of that property, in such manner as it thinks fit, including sale by public auction or public tender, and the proceeds of any such disposal shall be retained by Government.

(4) The costs and expenses incurred by the Licensing Authority under this rule shall be a debt due to the Government and shall be recoverable as such in court of competent jurisdiction.

(5) A certificate signed by the Licensing Authority stating that a specified amount is the amount of the debt so due shall be admissible in evidence in any court.

(6) A debt due to the Government under this rule is recoverable whether or not the person from whom it is due is liable to any penalties for failure to comply with direction under sub-rule (2) (a).

109. Weighing of Coal: The holder of a coal title or coal permit shall provide in the coal title or coal permit area, a properly constructed and correct weighing machine or other suitable means for determining the weight of coal mined in the exercise of the rights under the coal title or coal permit.

110. Power of Licensing Authority to obtain Information: (1) Where the Licensing Authority require information or data relating to exploration or coal mining operations, or coal found, mined or sold or otherwise disposed off, or the value thereof, it may, by notice in writing to the coal title or permit holder, to furnish the following to licensing authority within a period and in the manner specified in the notice -

- (a) information or data relating to exploration or coal mining operation or coal found, mined or sold/disposed off;
- (b) to attend before an officer authorized in the notice at such time and place as so specified and there to answer questions relating to those operations, coal/minerals won, mined, sold or otherwise disposed of or to that information or data; or
- (c) to furnish a person identified in the notice, at such time and place as is so specified, with such data as may be in its custody or power relating to those operations, or to coal won, mined or sold or otherwise disposed of, or the value thereof.

(2) A coal title or permit holder or its authorized agent is not, excused from furnishing information or data, or answering a question when required to do so under this rule, on the ground that the information or data so furnished, or the answer to the question, might tend to incriminate him liable to a penalty, but the information or data so furnished or his answer to the question shall not be admissible in evidence against him in any proceeding other than proceedings for an offence against this rule.

(3) Where data are furnished, pursuant to requirement under sub-rule (1)(c), the person to whom the data are furnished may make copies or take extracts from the data.

(4) In this rule, "data" includes books, documents, interpretations, tapes, diagrams, profiles and charts, photographs lines or negatives and includes data recorded or stored by means of any tape recorder, computer or other device and any material subsequently divided from data so recorded.

111. Environmental Impact Assessment and Social Management Plan. (1) No company or other legal entity shall conduct exploitation or mining operations of coal or coal-based power generation without undertaking Environmental and Social Impact Assessment (ESIA) of the same and acquire approval from Sindh Environmental Protection Agency (SEPA).

(2) No company or other entity shall conduct exploration, exploitation, mining operations of coal or coal-based power generation in an ecologically sensitive area which is protected under by Sindh Wildlife Department and Sindh Forest Department without assessment of impacts duly covered in ESIA study and acquiring NOC from Sindh Wildlife Department and Sindh Forest Department.

(3) Mine / power plant locations shall be selected keeping in view the sensitivity of that location (with respect to local settlement, water bodies and water wells, cultural or archaeological sites) as per analysis done in the ESIA study.

(4) The ESIA report shall be submitted to Licensing Authority, for review and onward submission to SEPA.

(5) **Environmental and Social Management Plan:** All companies undertaking coal mining/ power generation operations, shall prepare an Environmental and Social Management Plan (ESMP) of their existing operations and acquire approval for the same from Sindh Environmental Protection Agency (SEPA).

(6) All provisions and recommendation including implementation of environmental and social management plan as laid down in EIA shall be fulfilled during construction and operations of above prescribed activities.

(7) **Liability for Pollutions:** Where in the course of exploration or coal mining operations carried out under a coal title or coal permit -

- (a) coal is spilled on land, or in water on or under the surface of any land; or
- (b) any land or any such water is otherwise polluted or damaged; or
- (c) any plant or animal life, whether in water on, or under land is endangered or destroyed; or
- (d) any damage or loss is caused to any person, including the Government by such pilling, pollution or damage, if the holder of the coal title or coal permit shall forthwith -

- (i) report such spilling pollution, loss or damage to the licensing authority; and
- (ii) take his own cost, all such steps as may be necessary in accordance with pertinent coal exploration and mining practices or otherwise as may be necessary to remedy the spilling, pollution, loss or damages.

(8) If the holder of coal title or coal permit, referred to in sub-rule(1) fails to comply with the provisions of clause (b) of that sub-rule within such period as the Licensing Authority may deem in the circumstances to be reasonable-

- (a) the Licensing Authority may by notice in writing, order the holder, to take within such period as may be specified in such notice, such steps as may be so specified in order remedy the spilling pollution, damage or loss; and
- (b) if the holder fails to comply with the order to the satisfaction of Licensing Authority within the period specified in the notice or such further period as the Licensing Authority may, on good cause shown allow in writing, the Licensing Authority may cause such steps to be taken as may be necessary to remedy the spilling, pollution, damage or loss and recover the cost incurred thereby from such holder in a competent court.

(9) **Resettlement Policy:** All companies engaged in mining and exploitation of coal, coal-based power generation shall prepare Resettlement Action Plan (RAP) for an anticipated resettlement of affected people in accordance with the Resettlement Policy Framework (RPF) of Government of Sindh and avoid as much as possible the involuntary resettlement of people.

(10) **Corporate Social Responsibility:** All companies engaged in exploration and exploitation of coal / coal-based power generation shall work for local community and nearby poor and marginalized people; shall allocate a budget of 0.25% of the yearly profit (average profit of preceding 3-years) in capacity of Corporate Social Responsibility (CSR); and shall quarterly progress of CSR activities to the Licensing Authority.

112. Service of Documents. (1) Any document, notice or other communication required or authorized under these rules to be given to or served on any coal title or coal permit holder by the Licensing Authority or any other person shall be deemed to have been given or served -

- (i) if delivered to the officer of the coal title coal permit holder;
- (ii) if left with some adult person apparently residing at or occupying or employed at its registered address;
- (iii) if dispatched by registered post addressed to the coal title or coal permit holder or its public officer at its or the officer's last known address; or
- (iv) transmitted by means of a facsimile transmission to the person concerned at the registered office of the company.

(2) Any document, notice or other communication referred to in sub-rule (1) which has been given or served in the manner specified in clause (b) or (d) (iii) thereof, shall, unless the contrary is proved, be deemed to have been received by the person to whom it was addressed at the time when it would, in the ordinary course of post, have arrived at the place to which it was addressed.

113. Inspection by Authorized Officers. (1) For the purposes of these rules, an Authorized Officer may on behalf of the Licensing Authority, at all reasonable times -

- (a) enter any area, structure, vehicle, vessel, aircraft or building that, in his opinion has been or is being or is to be used in connection with reconnaissance, exploration or coal mining operations;
- (b) inspect and test any machinery or equipment that, in his opinion, has been, is being or is to be used in connection with any of operations referred to in clause (a);
- (c) take or remove for the purpose of analysis or testing, or for use in evidence in connection with an offence against these rules, samples of coal or minerals or other substances from a mine or any area where any of the operations referred to in clause (a) are being carried on;
- (d) inspect all books, record and accounts, contracts and other documents relating to coal mining operations;
- (e) inspect, take extracts from, and make copies of -
 - (i) any data, as defined rule 110(4);
 - (ii) any maps or plans relating to any of the operations; or
- (f) may make such examinations and inquiries and issue such orders or directions as are necessary to ensure compliance with the provision of these rules, and any directions issued, conditions imposed or orders made, by Licensing Authority under these rules.

(2) Before exercising any of his powers under sub rule (1), the Authorized Officer shall show identification to -

- (a) any person who is or appears to be in-charge of the area, structure vehicle, vessel, aircraft, building, machinery, equipment or matter or thing in respect of which the power is about to be exercised: and
- (b) any person to whom he is about to give an order or a direction.

(3) The Licensing Authority -

- (a) may implement measures to check the production and transportation of coal, including the installation of barriers;
- (b) shall notify the holder of a coal title or coal permit of such measures;

(4) The holder of coal title or coal permit shall be responsible for any violation of measures referred to in sub-rule (2) by the carrier(s) who transports coal on behalf of that holder.

(5) Any person or company who is aggrieved by a decision, direction order of the Authorized Officer made under this rule may appeal in writing to the Licensing Authority who shall, as soon as practicable, hear and dispose of the appeal, but the bringing of the appeal will not affect the operation of the decision, direction or order.

(6) On an appeal under sub-rule (5), the Licensing Authority may rescind or affirm the decision, direction or order appealed from or may make a new decision, direction or order in substitution therefor, and the decision, direction or order shall be final.

(7) A coal title or coal permit aggrieved by a decision of the Licensing authority under sub-section (6) may appeal against that decision to the Secretary, Energy Department and the provision of rule 71 shall apply in relation to that appeal.

(8) In exercising his powers under sub-rule (1), the Authorized Officer may be accompanied by any person whom the Authorized Officer believes has special or expert knowledge of any matter being inspected, tested or examined.

(9) A person or company who is an occupier or person or company in charge of any building structure or place, or the person or company in charge of any vehicle, vessel, aircraft, machinery or equipment referred to in sub-rule (1), shall provide an authorized officer with all reasonable facilities and assistance, including the provision of necessary means of transport, for the effective exercise of the Authorized Officer powers under this rule.

114. Further Powers of Authorized Officer: (1) If a person or company who was the holder of a coal title or coal permit, fails to comply with the requirements of these rules and terms and conditions of coal title or coal permit, an authorized officer may-

- (a) at all reasonable time, enter upon any premises whatsoever and search for the records, maps and plans, photographs, tabulations, tapes, discs, books and documents referred to in these rules; and
- (b) seize and such records, maps and plans, reports, photographs, tabulation, taps, discs, books and documents.

(2) The provisions of Rule-113(5) and (6) shall apply with necessary modification in relation to the Authorized Officer and the carrying out of these functions under this rule.

115. Offences: (1) Any person or company who carries on reconnaissance, exploration or coal mining operations in the Province of Sindh except under and in accordance with a coal title or a coal permit, is guilty of an offence and is liable on conviction to a penalty as prescribed under Fourth Schedule.

(2) Any company or other entity or person who -

- (a) makes or causes to be made in connection with any application under these rules, any statement knowing it to be false or misleading;
- (b) submits or causes to be submitted in connection with -

- (i) any such application; or
 - (ii) any notice, report return or statement issued or given under any provision of these rules; or
 - (iii) the conditions of any title or permit;
 - (iv) any document, information or particulars which is false or misleading knowing it to be false or misleading;
- (c) fraudulently and with the intent to mislead any other person or company to believe that a coal exists at any place, places or deposits or causes to be so place or deposited any coal in or at any such place; or
- (d) fraudulently and with intent to deceive, mingle or causes to be mingled with any sample of coal any substance which will increase the value or nature of the coal, is guilty of an offence and is liable on conviction to a penalty as prescribed in Fifth Schedule.
- (3) A coal title or coal permit holder who contravenes or fails to comply with -
- (i) any conditions of a coal title or coal permit;
 - (ii) the provisions of sub-rule (2) (3) (4) (6) (7) and (8) of Rule-14 (relating to restriction on exercise of rights);
 - (iii) any notice given pursuant to Rule-15;
 - (iv) any provision of Rule-22(1) or (2), Rule-33(1) or (2), Rule-45(1) or (2) Rule-57 (1) or (2) or Rule-92 (1) or (2) relating to the keeping of record and other documents, the submission of reports to the Licensing Authority within an specified time and the delivery of documents and records to the Licensing Authority on the termination expiration or cancellation of coal permit or coal title or coal permit;
 - (v) any obligation imposed pursuant Rule-33,
- is guilty of an offence and is liable on conviction to a penalty as prescribed in Fifth Schedule.
- (4) Any coal title or coal permit holder who willfully -
- (a) makes or cause to be made or concurs in making a false entry in the Titles Register or the Permits Register;
 - (b) produces or tenders in evidence, a document falsely purporting to be a copy of an extract from an entry in the Titles Register or Permits Register, is guilty of an offence and is liable on conviction to a penalty as prescribed in Fifth Schedule.
- (5) A coal title or coal permit holder or its officer who contravenes or fails to comply with a notice given under Rule-100 requirement that coal title or coal permit holder to take certain action in the event of that holder's failure to pay royalty, is guilty of an offence and is liable on conviction to a penalty as prescribed in Fifth Schedule.
- (6) A coal title or permit holder who contravenes or fails to comply with a direction given to that holder under Rule-108(2), requiring that holder to demolish or remove a building or structure, to remove equipment or any other thing or to remedy any damages, is guilty of an offence and is liable on conviction to a penalty as prescribed in Fifth Schedule.
- (7) Any person or company who -
- (a) refuses or fails to comply with the requirement in a notice under sub-rule (1) (a) of Rule-110 to the extent to which he is capable of doing so;
 - (b) in purported compliance with a requirement referred to in clause(a) knowingly or recklessly furnishes information that is false or misleading in a material particular; or
 - (c) when attending before any person or company under a requirement referred to in sub-rule (1) (b) of Rule-110 or furnishing any data to any person under a requirement referred to in sub-rule (1) (c) of that rule, knowingly or recklessly makes a statement that is, or furnishes any data that are, false or misleading in a material particular, is guilty of an offence and liable on conviction to a penalty as prescribed in "Fifth Schedule".

(8) Any coal title or coal permit holder who —

- (a) without reasonable excuse obstructs or hinders an authorized officer in carrying out his functions under these rules; or
- (b) knowingly recklessly makes a statement or produces a document(s) that is false or misleading in a material particular to an authorized officer carrying out his function under this rule; is guilty of an offence and is liable on conviction to a penalty as prescribed in Fifth Schedule.

(9) If any coal title or coal permit holder starts reconnaissance, exploration or mining of coal for which the title or permit has not been granted to him by the licensing authority, he or company shall be punishable with imprisonment for a term, which may extend to six months, or with fine which may extend to Rs.100,000/- (Rupees one hundred thousand only), or with both.

116. Evidence: (1) The production in any criminal or civil proceedings in any court of law of any certificate purporting to have been signed by the Authorized Officer certifying whether or not on a date specified in the certificate that -

- (a) a coal title was issued renewed or transferred to a person or a company so specified;
- (b) any interest in such a title has been granted, transferred or assigned to a person or a company so specified;
- (c) any conditions so specified is or was a condition of a coal title or coal permit;
- (d) a person mentioned in the certificate is or the holder of a coal title or a coal permit;
- (e) a coal title or permit has been in respect of an area of and so specified,

shall, unless the contrary is proved, be received in evidence as conclusive proof of the fact so certified.

(2) The production in any civil or criminal proceedings in any court of an extract of an entry in the Titles Register kept pursuant to Rule-62 or the Permit Register kept pursuant to Rule-94, certified by the licensing authority to be a true and correct extract of such an entry shall unless the contrary is proved be received in evidence as conclusive proof of the entry.

117. Forfeiture Order: (1) Where a person or company is convicted of an offence under these rules, the Court before which he or company is convicted may, in addition to any penalty imposed or other forfeiture ordered, order that coal found or mined in the course of the commission of the offence, be forfeited to Government or, in the event of coal having been sold or otherwise disposed of, that an amount equal to the proceeds of the sale or the market value of the coal, whichever is the greater as determined by the court, be paid by such person or company to Government.

118. Repeal and Saving. The Notification No.ED/SO(Admin)/15-4/2013(Misc.) dated 26th May, 2014 shall stand superseded on commencement of these rules.

(2) Any license or lease granted renewed or saved under any law for the time being in force and existing immediately before the coming into force of these rules shall be deemed to have been granted, renewed or saved for the subsisting period in accordance with the provisions of these rules as if these rules were in force at the time such license or lease was granted, renewed or saved and shall be treated accordingly.

SECRETARY TO GOVERNMENT OF SINDH
ENERGY DEPARTMENT

Karachi: Printed at the Sindh Government Press
04-02-2021



The Sindh Government Gazette

Published by Authority

KARACHI THURSDAY FEBRUARY 4, 2021

No. 5

Separate Paging is given to this Part in order that it may be filed as a separate compilation.

CONTENTS

PART	Description	PAGES	PART	Description	Nil.
PART I	Notifications and rules (except statutory rules) by the Government of Pakistan, Sindh and other Local Governments, Appointments, Promotions leave, & c., & c., and Miscellaneous Notifications Appointments, & c., By District Officers.	47 - 132	PART III	Miscellaneous Supplement Season and Crops Report Prices Current Rain fall Return & c.,	Nil.
PART I-A	Notification under the Local Board, Municipal Boards, District Municipal Primary Education and Local Fund Audit Acts and Municipal and Local Boards Election.		PART IV	Acts of Sindh Assembly.	Nil.
PART II	Notices Advertisement etc.		PART IV-A	Rules framed under the Acts of Provincial Assembly and other Rules.	Nil.
			PART V	Nothing for publication.	Nil.
			PART IV-A	Nothing for publication.	Nil.

PART-I

NOTIFICATIONS BY THE GOVERNMENT OF SINDH

SINDH COAL MINING CONCESSION RULES-2020

No.TO/ED(Coal)/5-25/2020

Karachi, dated 21st January, 2021

SECOND SECHDULE

ANNUAL RENTS

Title/Permit	Term of License	(In PKR)
		Per sq. km.
COAL TITLES (Large Scale)		
Reconnaissance License	12 months	25,000
Exploration License	03 years (Maximum)	30,000
Coal Deposit Retention License		30,000
Mining Lease		25,000
COAL PERMITS (Small Scale)		
Exploration Permit	02 years (Maximum)	1500
Mining Permit	01-15 years	1000

SINDH COAL MINING CONCESSION RULES-2020

THIRD SCHEDULE

(See Rule 96)

RATE OF ROYALTY ON COAL PER TON (1000 kg)

Seven and half percent on the value at the pit's mouth subject to a minimum of PKR 375 per ton (1000 kg)

SINDH COAL MINING CONCESSION RULES-2020

FOURTH SCHEDULE

(See Rule-115)

**PENALTIES FOR CONTRAVENTION OF
RULES SPECIFIED IN THIS SCHEDULE**

The holder of a Coal Title or Coal Permit, shall be liable to a penalty not exceeding Rs.50,000/- (Rupees fifty thousand only) in respect of the contravention of any provision of these rules, except the holder of a coal title or coal permit, as the case may be, shall be liable to a penalty not exceeding Rs.100,000/- (Rupees one hundred thousand only) in respect of the contravention of the provisions of Rule-13, Rule-15, Rule-88, Rule-110 and Rule-114 of these rules.

SINDH COAL MINING CONCESSION RULES-2020

FIRST SCHEDULE

APPLICATION FEES RELATING TO COAL TITLE AND COAL PERMITS

Title/Permit	PKR
<u>COAL TITLES (Large Scale)</u>	
Reconnaissance License	100,000
Exploration License	200,000
-First Renewal	200,000
Amendment	100,000
Coal Deposit Retention License	200,000
Amendment	100,000
Mining Lease	300,000
Renewal	300,000
Amendment	100,000
Assignment / Transfer	300,000
Performance Guarantee (Rule-69)	US\$500,000
<u>COAL PERMITS (Small Scale)</u>	
Exploration Permit	100,000
Amendment	50,000
Mining Permit	200,000
Amendment	100,000
Renewal	100,000
Assignment/transfer	200,000
Other Fees	
Demarcation fee (checking of boundaries)	50,000
Inspection of Title Register	10,000
Security Deposit	100,000

- (e) a coal title or permit has been in respect of an area of and so specified,

shall, unless the contrary is proved, be received in evidence as conclusive proof of the fact so certified.

(2) The production in any civil or criminal proceedings in any court of an extract of an entry in the Titles Register kept pursuant to Rule-62 or the Permit Register kept pursuant to Rule-94, certified by the licensing authority to be a true and correct extract of such an entry shall unless the contrary is proved be received in evidence as conclusive proof of the entry.

117. Forfeiture Order: (1) Where a person or company is convicted of an offence under these rules, the Court before which he or company is convicted may, in addition to any penalty imposed or other forfeiture ordered, order that coal found or mined in the course of the commission of the offence, be forfeited to Government or, in the event of coal having been sold or otherwise disposed of, that an amount equal to the proceeds of the sale or the market value of the coal, whichever is the greater as determined by the court, be paid by such person or company to Government.

118. Repeal and Saving. The Notification No.ED/SO(Admin)/15-4/2013(Misc.) dated 26th May, 2014 shall stand superseded on commencement of these rules.

(2) Any license or lease granted renewed or saved under any law for the time being in force and existing immediately before the coming into force of these rules shall be deemed to have been granted, renewed or saved for the subsisting period in accordance with the provisions of these rules as if these rules were in force at the time such license or lease was granted, renewed or saved and shall be treated accordingly.

SECRETARY TO GOVERNMENT OF SINDH
ENERGY DEPARTMENT