

खान मंत्रालय /Ministry of Mines

राष्ट्रीय खनिज खोज न्यास, नई दिल्ली /National Mineral Exploration Trust [NMET], New Delhi

Standard Operating Procedure for Exploration License Scheme

The existing scheme for partial reimbursement of exploration expenses for holders of Exploration Licence has following checks and balances to safeguard Government money reimbursed to the EL holders:

- EL holder has to submit the detailed proposal along with estimated expenditure details and annual work plan which will be evaluated by the Technical-cum-Cost Committee of NMET before recommending for approval of Executive Committee.
- Executive Committee will again evaluate the Proposals before approval.
- The progress of the work will be monitored and reviewed by NMET from time to time.
- During inspection visit of experts of Ministry of Mines/NMET, the EL holder shall provide the access to all sites and records such as geological maps, drill logs, drill hole/sample location sites etc.
- The reimbursement of various components of expenditure will be as per approved Schedule of Charges of NMET.
- The EL holder shall make the exploration expenses for carrying out the exploration activities through a dedicated bank account and maintain duly audited books of accounts.
- The reimbursement will be made on submission of half yearly expenditure bills duly certified by a chartered accountant.
- The mobilization advance, if required, to EL holders will only be released upon submission of bank guarantee of the equal value of advance to NMET as per the provisions of GFR.
- The advance will be adjusted against the bills submitted along with Utilization Certificate and no payment will be released until the adjustment of mobilization advance.
- The Bank Guarantee shall remain valid for a period of 60 days beyond the date of completion of project and acceptance of geological report by NMET.
- The EL holder has to share the geological/geophysical data/results along with the geological report with State Directorate of Geology and Mining, Indian Bureau of Mines, National Mineral Inventory, Geological Survey of India and NMET for uploading the same in the NGDR for future references.
- The recovered cores from the exploratory drilling activities will be handed over by EL holders to State DGM/ GSI core library for future references.
- The bills shall be accompanied by an interim report of the progress of work carried out during the period.

- The amount reimbursed in each instalment will not be more than 50% of the expenditure incurred.
- The reimbursement will be settled through Drawing and Disbursing Officer and Pay & Accounts Officer of Ministry of Mines through PFMS.
- The EL holder shall pay back to the NMET, the amount released by NMET within 10 years (in equal annual instalments) of commencement of production and dispatch of minerals and receipt of share in auction premium from any of the Mining Lease Blocks auctioned pursuant to exploration undertaking by the EL holder.
- In case the EL holder receives lump sum payment from Mining lease holders in lieu of shares in auction premium, he shall pay back the amount to NMET within one month of receipt of lump sum payment.

In addition to the above provisions, the following instructions are issued for monitoring and verification:

1. Verification of quantum of work carried out by EL holder :

The detail of work carried out by EL holder during Geological mapping, sampling, Geophysical investigation, exploratory drilling, chemical/petrological analysis, mineral beneficiation studies and logistics, as per the sanction order issued by NMET, is to be submitted to the DDG of State Unit of GSI for verification.

On submission of claim by the EL holder, along with supporting documents, the verification process will be based on the quantum of work executed by EL holder as per the sanction order. The bill verification will be completed by concerned DDG of GSI within 10 working days, if the claims are in order. In case of deficiency in the claim, clarification will be sought by concerned DDG of GSI within 5 working days and/or returned to the EL holder under intimation to NMET and DG, GSI office.

2. While evaluating the project proposal, the The Technical-cum-Cost Committee of NMET will also evaluate the project components outside the SoC of NMET, such as research collaboration / consultancy / advisory services; accordingly payment will be made by NMET.
3. To ensure the recovery of exploration expenses reimbursed by NMET to EL holder, the sanction order to be issued by NMET will contain the clause that the EL holder shall pay back the amount released by NMET under the scheme:
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 - within 10 years (in equal annual instalments) of commencement of production and dispatch of minerals and receipt of share in auction premium from any of the Mining Lease Blocks auctioned pursuant to exploration undertaking by the EL holder;
 - In case the EL holder receives lump sum payment from Mining lease holders in lieu of share in auction premium, he shall pay back the amount to NMET within one month of receipt of lump sum payment.

4. A copy of sanction order will be endorsed to Mines-IV Section/Auction Division of Ministry of Mines and IBM. The Mines-IV Section/Auction Division will share the information regarding successful auction of mine to NMET & IBM.
5. Further, Mines-IV Section / Auction Division of Ministry of Mines shall add a clause in the NIT document (for auction of mineral block pursuant to exploration undertaken by the EL holder) stating that the successful mining bidder will inform NMET regarding the release of payment w.r.t auction premium from any of the mining lease blocks auctioned and/or regarding lump sum payment from mining lease holders in lieu of share in auction premium.
6. Indian Bureau of Mines shall inform National Mineral Exploration Trust regarding commencement of production and dispatch of mineral from the mining lease blocks auctioned pursuant to exploration undertaken by the EL holder.
