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THE MINES AND MINERALS (REGULATION AND DEVELOPMENT) AMENDMENT ACT, 1972

No 56 OF 1972

[12th September, 1972]

An Act further to amend the Mines and Minerals (Regulation and Development) Act, 1957.

BE it enacted by Parliament in the Twenty-third Year of the Republic of India as follows:—

1. This Act may be called the Mines and Minerals (Regulation and Development) Amendment Act, 1972. Short title.

67 of 1957. 2. In the Mines and Minerals (Regulation and Development) Act, 1957 (hereinafter referred to as the principal Act), after section 4, the following section shall be inserted, namely:— Insertion of new section 4A.

“4A. (1) Where the Central Government, after consultation with the State Government, is of opinion that it is expedient in the interest of regulation of mines and mineral development so to do, it may request the State Government to make a premature termination of a mining lease in respect of any mineral, other than a minor mineral, and, on receipt of such request, the State Government shall make an order making a premature termination of such mining lease and granting a fresh mining lease in favour of such Government company or corporation owned or controlled by Government as it may think fit. Termination of mining leases.

(2) Where the State Government, after consultation with the Central Government, is of opinion that it is expedient in the interest of regulation of mines and mineral development so to do, it may, by an order, make premature termination of a mining lease in respect of any minor mineral and grant a fresh lease in respect of such mineral in favour of such Government company or corporation owned or controlled by Government as it may think fit.”

3. In section 6 of the principal Act,—

(i) for sub-section (1), the following sub-section shall be substituted, namely:— Amendment of section 6.

“(1) No person shall acquire in any one State in respect of any mineral or prescribed group of associated minerals—

(a) one or more prospecting licences covering a total area of more than twenty-five square kilometres; or

(b) one or more mining leases covering a total area of more than ten square kilometres:

Provided that if the Central Government is of opinion that in the interests of the development of any mineral, it is necessary so to do, it may, for reasons to be recorded by it in writing, permit any person to acquire one or more prospecting licences or mining leases covering an area in excess of the aforesaid total area;

(c) any mining lease or prospecting licence in respect of an area which is not compact or contiguous:

Provided that if the Central Government is of opinion that in the interests of the development of any mineral, it is necessary so to do, it may, for reasons to be recorded in writing, permit any person to acquire a prospecting licence or mining lease in relation to any area which is not compact or contiguous.”;

(ii) after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) For the purposes of determining the total area referred to in sub-section (1), the area held under a prospecting licence or mining lease by a person as a member of a co-operative society, company or other corporation, or a Hindu undivided family or a partner of a firm, shall be deducted from the area referred to in sub-section (1) so that the sum total of the area held by such person, under a prospecting licence or mining lease, whether as such member or partner, or individually, may not, in any case, exceed the total area specified in sub-section (1).”.

Amend-
ment
of sec-
tion 9.

4. In section 9 of the principal Act,—

(i) in sub-sections (1) and (2), for the words “mineral removed by him”, wherever they occur, the words “mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee” shall be substituted;

(ii) after sub-section (2), the following sub-section shall be inserted, namely:—

“(2A) The holder of a mining lease, whether granted before or after the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972, shall not be liable to pay any royalty in respect of any coal consumed by a workman engaged in a colliery provided that such consumption by the workman does not exceed one-third of a tonne per month.”;

(iii) in sub-section (3), for the proviso, the following proviso shall be substituted, namely:—

“Provided that the Central Government shall not enhance the rate of royalty in respect of any mineral more than once during any period of four years.”.

Repealed

5. After section 9 of the principal Act, the following section shall be inserted, namely:—

Insertion
of new
section 9A.

“9A. (1) The holder of a mining lease, whether granted before or after the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972, shall, notwithstanding anything contained in the instrument of lease or in any other law for the time being in force, pay to the State Government, every year, dead rent at such rate as may be specified, for the time being, in the Third Schedule, for all the areas included in the instrument of lease:

Dead
rent to
be paid
by the
lessee.

Provided that where the holder of such mining lease becomes liable, under section 9, to pay royalty for any mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee from the leased area, he shall be liable to pay either such royalty or the dead rent in respect of that area, whichever is greater.

(2) The Central Government may, by notification in the Official Gazette, amend the Third Schedule so as to enhance or reduce the rate at which the dead rent shall be payable in respect of any area covered by a mining lease and such enhancement or reduction shall take effect from such date as may be specified in the notification:

Provided that the Central Government shall not enhance the rate of the dead rent in respect of any such area more than once during any period of four years.”.

6. After section 13 of the principal Act, the following section shall be inserted, namely:—

Insertion
of new
section
13A.

“13A. (1) The Central Government may, by notification in the Official Gazette, make rules for the grant of prospecting licences or mining leases in respect of any minerals underlying the ocean within the territorial waters or the continental shelf of India.

Power of
Central
Government
to make
rules for
the grant
of pros-
pecting
licences
or mining
leases
in res-
pect of
territorial
waters
or conti-
nental
shelf of
India.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the conditions, limitations and restrictions subject to which such prospecting licences or mining leases may be granted;

(b) regulation of exploration and exploitation of minerals within the territorial waters or the continental shelf of India;

(c) ensuring that such exploration or exploitation does not interfere with navigation; and

(d) any other matter which is required to be, or may be, prescribed.”.

7. In section 14 of the principal Act, for the words “prospecting licences and mining leases”, the words “quarry leases, mining leases or other mineral concessions” shall be substituted.

Amend-
ment of
section
14.

Repealed

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Amend-
ment of
section
15.

8. In section 15 of the principal Act,—

(i) in sub-sections (1) and (2), for the words “prospecting licence and mining leases”, wherever they occur, the words “quarry lease mining leases or other mineral concessions” shall be substituted;

(ii) after sub-section (2), the following sub-section shall be inserted and shall be deemed always to have been inserted, namely:—

“(3) The holder of a mining lease or any other mineral concession granted under any rule made under sub-section (1) shall pay royalty in respect of minor minerals removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee at the rate prescribed for the time being in the rule framed by the State Government in respect of minor minerals:

Provided that the State Government shall not enhance the rate of royalty in respect of any minor mineral for more than once during any period of four years.”.

Amend-
ment of
section
16.

9. In section 16 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) (a) All mining leases granted before the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972, if in force at such commencement, shall be brought into conformity with the provisions of this Act, and the rules made thereunder, within six months from such commencement, or such further time as the Central Government may, by general or special order, specify in this behalf.

(b) Where the rights under any mining lease, granted by the proprietor of an estate or tenure before the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972, have vested, on or after the 25th day of October, 1949, in the State Government in pursuance of the provisions of any Act of any Provincial or State Legislature which provides for the acquisition of estates or tenures or provides for agrarian reform, such mining lease shall be brought into conformity with the provisions of this Act and the rules made thereunder within six months from the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972, or within such further time as the Central Government may, by general or special order, specify in this behalf.”.

Amend-
ment of
section
17.

10. In section 17 of the principal Act, in sub-section (1),—

(i) the word “only” shall be omitted;

(ii) after the words “Government of a State”, the words “or any other person” shall be inserted.

Repealed

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11. After section 18 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 18A.

“18A. (1) Where the Central Government is of opinion that for the conservation and development of minerals in India, it is necessary to collect as precise information as possible with regard to any mineral available in or under any land in relation to which any prospecting licence or mining lease has been granted, whether by the State Government or by any other person, the Central Government may authorise the Geological Survey of India, or such other authority or agency as it may specify in this behalf, to carry out such detailed investigations for the purpose of obtaining such information as may be necessary: Power to authorise Geological Survey of India, etc., to make investigation.

Provided that in the cases of prospecting licences or mining leases granted by a State Government, no such authorisation shall be made except after consultation with the State Government.

(2) On the issue of any authorisation under sub-section (1), it shall be lawful for the Geological Survey of India or the specified authority or agency, and its servants and workmen—

- (a) to enter upon such land,
- (b) to dig or bore into the sub-soil,
- (c) to do all other acts necessary to determine the extent of any mineral available in or under such land,
- (d) to set out boundaries of the land in which any mineral is expected to be found,
- (e) to mark such boundaries and line placing marks,
- (f) where otherwise the survey cannot be completed on the boundaries and line marked, to cut down and clear away any part of any standing crop, fence or jungle:

Provided that no such authority or agency shall enter into any building or upon any enclosed court or garden attached to a dwelling house (except with the consent of the occupier thereof) without previously giving such occupier at least seven days' notice in writing of its intention to do so.

(3) Whenever any such action of the nature specified in sub-section (2) is to be taken, the Central Government shall, before or at the time when such action is taken, pay or tender payment for all necessary damage which is likely to be caused, and in case of dispute as to the sufficiency of the amount so paid or tendered or as to the person to whom it should be paid or tendered, the Central Government shall refer the dispute to the principal civil court of original jurisdiction having jurisdiction over the land in question.

(4) The fact that there exists any such dispute as is referred to in sub-section (3) shall not be a bar to the taking of any action under sub-section (2).

(5) After the completion of the investigation, the Geological Survey of India or the specified authority or agency by which the investigation was made shall submit to the Central Government a detailed report indicating therein the extent and nature of any mineral which lies deposited in or under the land.

Repealed

(6) The costs of the investigation made under this section shall be borne by the Central Government:..

Provided that where the State Government or other person in whom the minerals are vested or the holder of any prospecting licence or mining lease applies to the Central Government to furnish to it or him a copy of the report submitted under sub-section (5), that State Government or other person or the holder of a prospecting licence or mining lease, as the case may be, shall bear such reasonable part of the costs of investigation as the Central Government may specify in this behalf and shall, on payment of such part of the costs of investigation, be entitled to receive from the Central Government a true copy of the report submitted to it under sub-section (5)."

Amendment of section 21.

12. In section 21 of the principal Act,—

(i) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) Whoever contravenes the provisions of sub-section (1) of section 4 shall be punished with imprisonment for a term which may extend to one year, or with fine which may extend to five thousand rupees, or with both.";

(ii) after sub-section (2), the following sub-sections shall be inserted, namely:—

"(3) Where any person trespasses into any land in contravention of the provisions of sub-section (1) of section 4, such trespasser may be served with an order of eviction by the State Government or any authority authorised in this behalf by that Government and the State Government or such authorised authority may, if necessary, obtain the help of the police to evict the trespasser from the land.

(4) Whenever any person raises, without any lawful authority, any mineral from any land, and, for that purpose, brings on the land any tool, equipment, vehicle or any other thing, such mineral, tool, equipment, vehicle or other thing shall be liable to be seized by a magistrate specially empowered in this behalf.

(5) Whenever any person raises, without any lawful authority, any mineral from any land, the State Government may recover from such person the mineral so raised, or, where such mineral has already been disposed of, the price thereof, and may also recover from such person, rent, royalty or tax, as the case may be, for the period during which the land was occupied by such person without any lawful authority."

Insertion of new section 23A.

13. After section 23 of the principal Act, the following section shall be inserted, namely:—

Compounding of offences.

"23A. (1) Any offence punishable under this Act or any rule made thereunder may, either before or after the institution of the prosecution, be compounded by the person authorised under section 22 to make a complaint to the court with respect to that offence, on payment to that person, for credit to the Government, of such sum as that person may specify:

Repealed

Provided that in the case of an offence punishable with fine only, no such sum shall exceed the maximum amount of fine which may be imposed for that offence.

(2) Where an offence is compounded under sub-section (1), no proceeding or further proceeding, as the case may be, shall be taken against the offender in respect of the offence so compounded, and the offender, if in custody, shall be released forthwith."

14. Section 25 of the principal Act shall be re-numbered as sub-section (1) thereof, and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

Amendment of section 25.

"(2) Any rent, royalty, tax, fee or other sum due to the Government either under this Act or any rule made thereunder or under the terms and conditions of any prospecting licence or mining lease may, on a certificate of such officer as may be specified by the State Government in this behalf by general or special order, be recovered in the same manner as if it were an arrear of land revenue and every such sum which becomes due to the Government after the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972, together with the interest due thereon, shall be a first charge on the assets of the holder of the prospecting licence or mining lease, as the case may be."

15. In section 28 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

Amendment of section 28.

"(1) Every rule and every notification made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or notification or both Houses agree that the rule or notification should not be made, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification."

16. After the Second Schedule to the principal Act, the following Schedule shall be inserted, namely:—

Insertion of Third Schedule.

"THE THIRD SCHEDULE

(See section 9A)

DEAD RENT

<i>Period of the mining lease</i>	<i>Rate of dead rent per hectare</i>
1. 1st year	Nil
2. 2nd year to 5th year	Rs. 12.50
3. 6th year to 10th year	Rs. 25.00
4. 11th year onwards	Rs. 37.50."