

THE MINES AND MINERALS (REGULATION AND DEVELOPMENT) AMENDMENT ACT, 1999

No. 38 OF 1999

[18th December, 1999.]

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

BE it enacted by Parliament in the Fiftieth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Mines and Minerals (Regulation and Development) Amendment Act, 1999.

Amendment of long title. 2. In the Mines and Minerals (Regulation and Development) Act, 1957 (hereinafter referred to as the principal Act), in the long title, for the words "regulation of mines and the development of minerals", the words "development and regulation of mines and minerals" shall be substituted.

67 of 1957.

Amendment of section 1. 3. In section 1 of the principal Act, in sub-section (1), for the brackets and words "(Regulation and Development)", the brackets and words "(Development and Regulation)" shall be substituted.

Amendment of section 3. 4. In section 3 of the principal Act,—

(a) in clause (h), the word "and" occurring at the end shall be omitted;

(b) after clause (h), the following clauses shall be inserted, namely:—

(ha) "reconnaissance operations" means any operations undertaken for preliminary prospecting of a mineral through regional, aerial, geophysical or geochemical surveys and geological mapping, but does not include pitting, trenching, drilling (except drilling of boreholes on a grid specified from time to time by the Central Government) or sub-surface excavation;

(hb) "reconnaissance permit" means a permit granted for the purpose of undertaking reconnaissance operations; and

Amendment of section 4. 5. In section 4 of the principal Act,—

(a) in sub-section (1),—

(i) for the portion beginning with the words "No person shall undertake any prospecting or mining operations" and ending with the words "granted under this Act and the rules made thereunder", the following shall be substituted, namely:—

"No person shall undertake any reconnaissance, prospecting or mining operations in any area, except under and in accordance with the terms and conditions of a reconnaissance permit or of a prospecting licence or, as the case may be, of a mining lease, granted under this Act and the rules made thereunder";

(ii) in the second proviso, for the words "the Atomic Minerals Division", the words "the Atomic Minerals Directorate for Exploration and Research" shall be substituted;

(b) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) No person shall transport or store or cause to be transported or stored any mineral otherwise than in accordance with the provisions of this Act and the rules made thereunder.";

(c) in sub-section (2), for the words "No prospecting licence or mining lease", the words "No reconnaissance permit, prospecting licence or mining lease" shall be substituted;

(d) in sub-section (3), for the portion beginning with the words "undertake prospecting or mining operations" and ending with the words "under any prospecting licence or mining lease", the following shall be substituted, namely:—

"undertake reconnaissance, prospecting or mining operations with respect to any mineral specified in the First Schedule in any area within that State which is not already held under any reconnaissance permit, prospecting licence or mining lease".

6. In section 4A of the principal Act, proviso to sub-section (2), shall be omitted.

Amendment of section 4A.

7. In section 5 of the principal Act,—

Amendment of section 5.

(a) in sub-section (1), for the words "prospecting licence or mining lease", wherever they occur, the words "reconnaissance permit, prospecting licence or mining lease" shall be substituted;

(b) in sub-section (2), for clauses (a) and (b), the following clauses shall be substituted, namely:—

"(a) there is evidence to show that the area for which the lease is applied for has been prospected earlier or the existence of mineral contents therein has been established otherwise than by means of prospecting such area; and

(b) there is a mining plan duly approved by the Central Government, or by the State Government, in respect of such category of mines as may be specified by the Central Government, for the development of mineral deposits in the area concerned."

8. In section 6 of the principal Act,—

Amendment of section 6.

(a) in sub-section (1),—

(i) after the words "associated minerals", the words "in a State" shall be inserted;

(ii) after clause (a), the following clause shall be inserted, namely:—

"(aa) one or more reconnaissance permit covering a total area of ten thousand square kilometres:

Provided that the area granted under a single reconnaissance permit shall not exceed five thousand square kilometres; or";

(iii) for clause (c), the following clause shall be substituted, namely:—

"(c) any reconnaissance permit, mining lease or prospecting licence in respect of any area which is not compact or contiguous:

Provided that if the State 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 reconnaissance permit, prospecting licence or mining lease in relation to any area which is not compact or contiguous;"

Amendment of  
section 7.

(b) in sub-sections (2) and (3), for the words "prospecting licence or mining lease", wherever they occur, the words "reconnaissance permit, prospecting licence or mining lease" shall be substituted.

9. In section 7 of the principal Act,—

(a) in sub-section (1), for the words "a prospecting licence", the words "a reconnaissance permit or prospecting licence" shall be substituted;

(b) in the second proviso to sub-section (2), for the words "a mineral included in", the words and letters "a mineral included in Part A and Part B to" shall be substituted.

Amendment of  
section 8.

10. In section 8 of the principal Act,—

(a) proviso to sub-section (2) shall be omitted;

(b) for sub-section (3), the following sub-sections shall be substituted, namely:—

"(3) Notwithstanding anything contained in sub-section (2), if the State Government is of opinion that in the interests of mineral development it is necessary so to do, it may, for reasons to be recorded, authorise the renewal of a mining lease in respect of minerals not specified in Part A and Part B of the First Schedule for a further period or periods not exceeding twenty years in each case.

(4) Notwithstanding anything contained in sub-section (2) and sub-section (3), no mining lease granted in respect of mineral specified in Part A or Part B of the First Schedule shall be renewed except with the previous approval of the Central Government."

Amendment of  
section 10.

11. In section 10 of the principal Act,—

(a) in sub-section (1), for the words "a prospecting licence or a mining lease", the words "a reconnaissance permit, prospecting licence or mining lease" shall be substituted;

(b) in sub-section (3), for the words "licence or lease", the words "permit, licence or lease" shall be substituted.

Substitution of  
new section  
for section 11.

12. For section 11 of the principal Act, the following section shall be substituted, namely:—

Preferential  
right of certain  
persons.

"11. (1) Where a reconnaissance permit or prospecting licence has been granted in respect of any land, the permit holder or the licensee shall have a preferential right for obtaining a prospecting licence or mining lease, as the case may be, in respect of that land over any other person:

Provided that the State Government is satisfied that the permit holder or the licensee, as the case may be,—

(a) has undertaken reconnaissance operations or prospecting operations, as the case may be, to establish mineral resources in such land;

(b) has not committed any breach of the terms and conditions of the reconnaissance permit or the prospecting licence;

(c) has not become ineligible under the provisions of this Act; and

(d) has not failed to apply for grant of prospecting licence or mining lease, as the case may be, within three months after the expiry of reconnaissance permit or prospecting licence, as the case may be, or within such further period, as may be extended by the said Government.

(2) Subject to the provisions of sub-section (1), where the State Government has not notified in the Official Gazette the area for grant of reconnaissance permit or prospecting licence or mining lease, as the case may be, and two or more persons have applied for a reconnaissance permit, prospecting licence or a mining lease in respect of any land in such area, the applicant whose application was received earlier, shall have the preferential right to be considered for grant of reconnaissance permit, prospecting licence or mining lease, as the case may be, over the applicant whose application was received later:

Provided that where an area is available for grant of reconnaissance permit, prospecting licence or mining lease, as the case may be, and the State Government has invited applications by notification in the Official Gazette for grant of such permit, licence or lease, all the applications received during the period specified in such notification and the applications which had been received prior to the publication of such notification in respect of the lands within such area and had not been disposed of, shall be deemed to have been received on the same day for the purposes of assigning priority under this sub-section:

Provided further that where any such applications are received on the same day, the State Government, after taking into consideration the matter specified in sub-section (3), may grant the reconnaissance permit, prospecting licence or mining lease, as the case may be, to such one of the applicants as it may deem fit.

(3) The matters referred to in sub-section (2) are the following:—

(a) any special knowledge of, or experience in, reconnaissance operations, prospecting operations or mining operations, as the case may be, possessed by the applicant;

(b) the financial resources of the applicant;

(c) the nature and quality of the technical staff employed or to be employed by the applicant;

(d) the investment which the applicant proposes to make in the mines and in the industry based on the minerals;

(e) such other matters as may be prescribed.

(4) Subject to the provisions of sub-section (1), where the State Government notifies in the Official Gazette an area for grant of reconnaissance permit, prospecting licence or mining lease, as the case may be, all the applications received during the period as specified in such notification, which shall not be less than thirty days, shall be considered simultaneously as if all such applications have been received on the same day and the State Government, after taking into consideration the matters specified in sub-section (3), may grant the reconnaissance permit, prospecting licence or mining lease, as the case may be, to such one of the applicants as it may deem fit.

(5) Notwithstanding anything contained in sub-section (2), but subject to the provisions of sub-section (1), the State Government may, for any special reasons to be recorded, grant a reconnaissance permit, prospecting licence or mining lease, as the case may be, to an applicant whose application was received later in preference to an application whose application was received earlier:

Provided that in respect of minerals specified in the First Schedule, prior approval of the Central Government shall be obtained before passing any order under this sub-section."

13. In section 12 of the principal Act, in sub-section (1), for clauses (c) and (d), the following clauses shall be substituted, namely:—

"(c) a register of applications for mining leases;

(d) a register of mining leases;

(e) a register of applications for reconnaissance permits; and

(f) a register of reconnaissance permits;"

Amendment of  
section 13.

14. In section 13 of the principal Act,—

(a) in sub-section (1), for the words "prospecting licences and mining leases", the words "reconnaissance permits, prospecting licences and mining leases" shall be substituted;

(b) in sub-section (2),—

(i) in clauses (a), (e) and (i), for the words "prospecting licences or mining leases", the words "reconnaissance permits, prospecting licences or mining leases" shall respectively be substituted;

(ii) in clause (f), for the words "a licence or lease", the words "a permit, licence or lease" shall be substituted;

(iii) in clauses (j) and (l), for the words "a prospecting licence or a mining lease", the words "a reconnaissance permit, a prospecting licence or a mining lease" shall respectively be substituted;

(iv) in clause (g), for the words "prospecting licence or mining lease", the words "reconnaissance permit, prospecting licence or mining lease" shall be substituted;

(v) in clause (j), for the words "prospecting or mining operations", the words "reconnaissance, prospecting or mining operations" shall be substituted;

(vi) in clause (p), for the words "prospecting licences", the words "reconnaissance permits or prospecting licences" shall be substituted.

Amendment of  
section 17.

15. In section 17 of the principal Act,—

(a) in sub-section (2),—

(i) for the words "prospecting or mining operations", wherever they occur, the words "reconnaissance, prospecting or mining operations" shall be substituted;

(ii) for the words "prospecting licence or mining lease", the words "reconnaissance permit, prospecting licence or mining lease" shall be substituted;

(b) in sub-section (3),—

(i) for the words "prospecting or mining operations", wherever they occur, the words "reconnaissance, prospecting or mining operations" shall be substituted;

(ii) for the words "prospecting fee", the words "reconnaissance permit fee or prospecting fee" shall be substituted;

(iii) for the words "prospecting licence or mining lease", the words "reconnaissance permit, prospecting licence or mining lease" shall be substituted;

(c) in sub-section (4), for the words "prospecting licence or mining lease", the words "reconnaissance permit, prospecting licence or mining lease" shall be substituted.

Amendment of  
section 19.

16. In section 19 of the principal Act,—

(a) for the words "prospecting licence or mining lease", wherever they occur, the words "reconnaissance permit, prospecting licence or mining lease" shall be substituted;

(b) in the *Explanation*, for the words "licences or leases", the words "permits, licences or leases" shall be substituted.

17. In section 21 of the principal Act,—

Amendment of section 21.

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

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

(b) for sub-section (4), the following sub-sections shall be substituted, namely:—

"(4) Whenever any person raises, transports or causes to be raised or transported, without any lawful authority, any mineral from any land, and, for that purpose, uses any tool, equipment, vehicle or any other thing, such mineral, tool, equipment, vehicle or any other thing shall be liable to be seized by an officer or authority specially empowered in this behalf.

(4A) Any mineral, tool, equipment, vehicle or any other thing seized under sub-section (4), shall be liable to be confiscated by an order of the court competent to take cognizance of the offence under sub-section (1) and shall be disposed of in accordance with the directions of such court."

18. In section 23B of the principal Act,—

Amendment of section 23B.

(a) after the words "authorised by the Central Government", the words "or a State Government, as the case may be," shall be inserted;

(b) after the words "in any place", the words "or vehicle" shall be inserted.

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

Insertion of new section 23C.

"23C. (1) The State Government may, by notification in the Official Gazette, make rules for preventing illegal mining, transportation and storage of minerals and for the purposes connected therewith.

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

Power of State Government to make rules for preventing illegal mining, transportation and storage of minerals.

(a) establishment of check-posts for checking of minerals under transit;

(b) establishment of weigh-bridges to measure the quantity of mineral being transported;

(c) regulation of mineral being transported from the area granted under a prospecting licence or a mining lease or a quarrying licence or a permit, in whatever name the permission to excavate minerals, has been given;

(d) inspection, checking and search of minerals at the place of excavation or storage or during transit;

(e) maintenance of registers and forms for the purposes of these rules;

(f) the period within which and the authority to which applications for revision of any order passed by any authority be preferred under any rule made under this section and the fees to be paid therefor and powers of such authority for disposing of such applications; and

(g) any other matter which is required to be, or may be, prescribed for the purpose of prevention of illegal mining, transportation and storage of minerals.

(3) Notwithstanding anything contained in section 30, the Central Government shall have no power to revise any order passed by a State Government or any of its authorised officers or any authority under the rules made under sub-sections (1) and (2)."

Amendment of section 24.

20. In section 24 of the principal Act,—

(a) in sub-section (1),—

(i) for the words "Central Government", the words "Central Government or a State Government" shall be substituted;

(ii) the words "or special" shall be omitted;

(b) in sub-section (2), for the words "Central Government", the words "Central Government or a State Government" shall be substituted.

Amendment of section 24A.

21. In section 24A of the principal Act,—

(a) in sub-section (1),—

(i) for the words "prospecting licence or mining lease", the words "reconnaissance permit, prospecting licence or mining lease" shall be substituted;

(ii) for the words "holder of such licence or lease", the words "holder of such permit, licence or lease" shall be substituted;

(iii) for the words "such lease or licence had been granted", the words "such permit, lease or licence had been granted" shall be substituted;

(iv) for the words "prospecting or mining operations", the words "reconnaissance, prospecting or mining operations" shall be substituted;

(b) in sub-section (2),—

(i) for the words "prospecting licence or mining lease", the words "reconnaissance permit, prospecting licence or mining lease" shall be substituted;

(ii) for the words "such licence or lease", the words "such permit, licence or lease" shall be substituted;

(iii) for the words "mining or prospecting operations", the words "reconnaissance, mining or prospecting operations" shall be substituted.

Amendment of section 25.

22. In section 25 of the principal Act, in sub-sections (1) and (2), for the words "prospecting licence or mining lease", wherever they occur, the words "reconnaissance permit, prospecting licence or mining lease" shall be substituted.

Amendment of section 31.

23. In section 31 of the principal Act, for the words "prospecting licence or mining lease", wherever they occur, the words "reconnaissance permit, prospecting licence or mining lease" shall be substituted.

Amendment of First Schedule.

24. In the First Schedule to the principal Act,—

(a) in Part B, for items 7 and 11, the following items shall respectively be substituted, namely:—

"7. Titanium bearing minerals and ores (ilmenite, rutile and leucosene).

11. Zirconium bearing minerals and ores including Zircon.";

(b) in Part C, item 8 shall be omitted.