Government of India
Ministry of Mines

MINES AND MINERALS (DEVELOPMENT AND REGULATION) ACT, 1957 (No. 67 of 1957)

(As amended up to 10th May, 2012)

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LIST OF AMENDING ACTS

1. The Mines and Minerals (Regulation and Development) Amendment Act, 1958 (15 of 1958)
2. The Repealing and Amending Act, 1960 (58 of 1960) 3. The Mines and Minerals (Regulation and Development) Amendment Act, 1972 (56 of 1972)
4. The Repealing and Amending Act, 1978 (38 of 1978) 5. The Mines and Minerals (Regulation and Development) Amendment Act, 1986 (37 of 1986)
6. The Mines and Minerals (Regulation and Development) Amendment Act, 1994 (25 of 1994)
7. The Mines and Minerals (Regulation and Development) Amendment Act, 1999 (38 of 1999)
8. The Mines and Minerals (Regulation and Development) Amendment Act, 2010 (34 of 2010)

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THE MINES AND MINERALS (DEVELOPMENT AND REGULATION) ACT, 1957

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MINES AND MINERALS (DEVELOPMENT AND REGULATION) ACT, 1957 (No. 67 of 1957)

An Act to provide for the 1[development and regulation of mines and minerals] under the control of the Union.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows: -

PRELIMINARY

Short title, extent and commencement.

1.(1) This Act may be called the Mines and Minerals 2[(Development and Regulation)] Act, 1957.

(2) It extends to the whole of India.

Declaration as to the expediency of Union control.

2.It is hereby declared that it is expedient in the public interest that the Union should take under its control the regulation of mines and the development of minerals to the extent hereinafter provided.

Definitions.

3.In this Act, unless the context otherwise requires:-

(a) "minerals" includes all minerals except mineral oils;

(b) "mineral oils" includes natural gas and petroleum;

(c) "mining lease" means a lease granted for the purpose of undertaking mining operations, and includes a sub-lease granted for such purpose;

(d)"mining operations" means any operations undertaken for the purpose of winning any mineral;

1Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

2 Ibid.

(e)"minor minerals" means building stones, gravel, ordinary clay, ordinary sand other than sand used for prescribed purposes, and any other mineral which the Central Government may, by notification in the Official Gazette, declare to be a minor mineral;

(f)"Prescribed" means prescribed by rules made under this Act;

(g)"prospecting licence" means a licence granted for the purpose of undertaking prospecting operations;

(h)"prospecting operations" means any operations undertaken for the purpose of exploring, locating or proving mineral deposit; 1[Omitted]

2[(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 bore holes 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]

(i)the expressions "mine" and "owner" have the meanings assigned to them in the Mines Act, 1952.

GENERAL RESTRICTIONS ON UNDERTAKING PROSPECTING AND MINING OPERATIONS

Prospecting or mining operations to be under licence or lease.

4. (1) 3[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, a mining lease, granted under this Act and the rules made thereunder]:

Provided that nothing in this sub-section shall affect any prospecting or mining

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1Omitted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1,No. 51, dated 20.12.99 (No. 38 of 1999).

2 Inserted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

3SubstitutedbyM M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

operations undertaken in any area in accordance with the terms and conditions of a prospecting licence or mining lease granted before the commencement of this Act which is in force at such commencement.

Provided further that nothing in this sub-section shall apply to any prospecting operations undertaken by the Geological Survey of India, the Indian Bureau of Mines, [1][the Atomic Minerals Directorate for Exploration and Research] of the Department of Atomic Energy of the Central Government, the Directorates of Mining and Geology of any State Government (by whatever name called), and the Mineral Exploration Corporation Limited, a Government Company within the meaning of Section 617 of the Companies Act, 1956.

[2][Provided also that nothing in this sub-section shall apply to any mining lease (whether called mining lease, mining concession or by any other name) in force immediately before the commencement of this Act in the Union territory of Goa, Daman and Diu.]

[3][(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.]

(2) [4][No reconnaissance permit, prospecting licence or mining lease] shall be granted otherwise than in accordance with the provisions of this Act and the rules made thereunder.

(3) Any State Government may, after prior consultation with the Central Government and in accordance with the rules made under Section 18, [5][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.]

Termination of prospecting licences or mining leases.

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 ----

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[1]Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1,No. 51, dated 20.12.99 (No. 38 of 1999).

[2] Inserted by Goa, Daman and Diu Mining Concessions (Abolition & Declaration as Mining Leases) Act, 1987 (No. 16 of 1987) with retrospective effect from the first day of October,1963.

[3] Inserted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

[4] Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

[5]Ibid.

development, preservation of natural environment, control of floods, prevention of pollution, or to avoid danger to public health or communications or to ensure safety of buildings, monuments or other structures or for conservation of mineral resources or for maintaining safety in the mines or for such other purposes, as the Central Government may deem fit, it may request the State Government to make a premature termination of a prospecting licence or mining lease in respect of any mineral other than a minor mineral in any area or part thereof, and, on receipt of such request, the State Government shall make an order making a premature termination of such prospecting licence or mining lease with respect to the area or any part thereof.

(2) Where the State Government is of opinion that it is expedient in the interest of regulation of mines and minerals development, preservation of natural environment, control of floods, prevention of pollution, or to avoid danger to

public health or communications or to ensure safety of buildings, monuments or other structures or for such other purposes, as the State Government may deem fit, it may, by an order, in respect of any minor mineral, make premature termination of prospecting licence or mining lease with respect to the area or any part thereof covered by such licence or lease.

[1][Omitted].

(3) No order making a premature termination of a prospecting licence or mining lease shall be made except after giving the holder of the licence or lease a reasonable opportunity of being heard.

(4) Where the holder of a mining lease fails to undertake mining operations for a period of two years after the date of execution of the lease or having commenced mining operations, has discontinued the same for a period of two years, the lease shall lapse on the expiry of the period of two years from the date of execution of the lease or, as the case may be, discontinuance of the mining operations:

Provided that the State Government may, on an application made by the holder of such lease before its expiry under this sub-section and on being satisfied that it will not be possible for the holder of the lease to undertake mining operations or to continue such operations for reasons beyond his control, make an order, subject to such conditions as may be prescribed, to the effect that such lease shall not lapse:

Provided further that the State Government, may on an application by the holder

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[1]Omitted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

of a lease submitted within a period of six months from the date of its lapse and on being satisfied that such non commencement or discontinuance was due to reasons beyond the control of the holder of the lease, revive the lease from such prospective or retrospective date as it thinks fit but not earlier than the date of lapse of the lease:

Provided also that no lease shall be revived under the second proviso for more than twice during the entire period of the lease.

Restrictions on the grant of prospecting licences or mining leases.

5. (1) A State Government shall not grant a [1][reconnaissance permit, prospecting licence or mining lease] to any person unless such person –

(a) is an Indian national, or a company as defined in sub-section (1) of Section 3 of the Companies Act, 1956; and

(b) satisfies such conditions as may be prescribed:

Provided that in respect of any mineral specified in the First Schedule, no [1][reconnaissance permit, prospecting licence or mining lease] shall be granted except with the previous approval of the Central Government.

Explanation - For the purposes of this sub-section, a person shall be deemed to be an Indian national, -

(a) in the case of a firm or other association of individuals, only if all the members of the firm or members of the association are citizens of India; and

(b) in the case of an individual, only if he is a citizen of India.

(2) No mining lease shall be granted by the State Government unless it is satisfied that-

2[(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

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1Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

2 Ibid.

specified by the Central Government, for the development of mineral deposits in the area concerned.]

Maximum area for which a prospecting licence or mining lease may be granted.

6. (1) No person shall acquire in respect of any mineral or prescribed group of associated minerals 1[in a State] –

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

2[(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]

(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) 3[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.]

(2) For the purposes of this section, a person acquiring by, or in the name of, another person a 4[reconnaissance permit, prospecting licence or mining lease] which is intended for himself shall be deemed to be acquiring it himself.

(3) For the purposes of determining the total area referred to in sub-section(1), the area held under a 4[reconnaissance permit, prospecting licence or mining lease] by

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1Inserted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999). 2 Ibid.

3 Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999). 4 Ibid.

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 1[reconnaissance permit, 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).

Periods for which prospecting licences may be granted or renewed.

7. (1) The period for which a 2[reconnaissance permit or prospecting licence] may be granted shall not exceed three years.

(2) A prospecting licence shall, if the State Government is satisfied that a longer period is required to enable the licensee to complete prospecting operations be renewed for such period or periods as that Government may specify:

Provided that the total period for which a prospecting licence is granted does not exceed five years;

Provided further that no prospecting licence granted in respect of 3[a mineral included in Part A and Part B to] the First Schedule shall be renewed except with the previous approval of the Central Government.

Periods for which mining leases may be granted or renewed.

8. (1) The maximum period for which a mining lease may be granted shall not exceed thirty years:

Provided that the minimum period for which any such mining lease may be granted shall not be less than twenty years.

(2) A mining lease may be renewed for a period not exceeding twenty years.

5[(3) 4[Omitted].

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.

1Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999). 2 Ibid. 3 Ibid.

4 Omitted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

5 Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

(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.]

Royalties in respect of mining leases.

9. (1) The holder of a mining lease granted before the commencement of this Act shall, notwithstanding anything contained in the instrument of lease or in any law in force at such commencement, pay royalty in respect of any mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee from the leased area after such commencement, at the rate for the time being specified in the Second Schedule in respect of that mineral.

(2) The holder of a mining lease granted on or after the commencement of this Act shall pay royalty in respect of any mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee from the leased area at the rate for the time being specified in the Second Schedule in respect of that mineral.

(2A) The holder of a mining lease, whether granted before or after the commencement of 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.

(3) The Central Government may, by notification in the Official Gazette, amend the Second Schedule so as to enhance or reduce the rate at which royalty shall be payable in respect of any mineral with effect from such date as may be specified in the notification:

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

Dead rent to be paid by the lessee.

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:

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 three years.

PROCEDURE FOR OBTAINING PROSPECTING LICENCES OR MINING LEASES IN RESPECT OF LAND IN WHICH THE MINERALS VEST IN THE GOVERNMENT

Application for prospecting licences or mining leases.

10. (1) An application for [1][a reconnaissance permit, prospecting licence or mining lease] in respect of any land in which the minerals vest in the Government shall be made to the State Government concerned in the prescribed form and shall be accompanied by the prescribed fee.

(2) Where an application is received under sub-section (1), there shall be sent to the applicant an acknowledgement of its receipt within the prescribed time and in the prescribed form.

(3) On receipt of an application under this section, the State Government may, having regard to the provisions of this Act and any rules made thereunder, grant or refuse to grant the [2][permit, licence or lease].

Preferential right of certain persons

[3][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:

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[1]Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

[2] Ibid.

[3] Ibid.

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 provision 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 a 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 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.

(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 a mining lease, as the case may be, to an applicant whose application was received later in preference to an applicant 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.]

Granting of reconnaissance permit, prospecting licence or mining lease in respect of coal or lignite.

1[11A. The Central Government may, for the purpose of granting reconnaissance permit, prospecting licence or mining lease in respect of an area containing coal or lignite, select through auction by competitive bidding on such terms and conditions as may be prescribed, a company engaged in -

(i)production of iron and steel;

(ii) generation of power;

1Inserted by M M (R D) Amendment Act, 2010, vide G.O.I. Ext. Part II, Section 1, No. 43, dated 9.9.2010 (No. 34 of 2010).

S.O. 263(E) Ext. Part II Section 3 Sub Section (ii) Govt. dt.13 Feb. 2012 appoints 13th Feb 2012 as the date of which the provisions of Section 11A shall come into force.

(iii) washing of coal obtained from a mine; or

and the State Government shall grant such reconnaissance permit, prospecting licence or mining lease in respect of coal or lignite to such company as selected through auction by competitive bidding under this section:

Provided that the auction by competitive bidding shall not be applicable to an area containing coal or lignite –

(a)where such area is considered for allocation to a Government company or corporation for mining or such other specified end-use;

(b)where such area is considered for allocation to a company or corporation that has been awarded a power project on the basis of competitive bids for tariff (including Ultra Mega Power Projects).

Explanation- For the purposes of this section, "company" means a company as defined in Section 3 of the Companies Act, 1956 and includes a foreign company within the meaning of Section 591 of that Act]

Registers of reconnaissance permits, prospecting licences and mining leases

12. (1) The State Government shall cause to be maintained in the prescribed form -

(a) a register of applications for prospecting licences;

(b) a register of prospecting licences;

1[(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;]

1Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.1999 (No. 38 of 1999).

in each of which shall be entered such particulars as may be prescribed.

(2) Every such register shall be open to inspection by any person on payment of such fee as the State Government may fix.

RULES FOR REGULATING THE GRANT OF RECONNAISSANCE PERMITS, PROSPECTING LICENCES AND MINING LEASES

Power of Central Government to make rules in respect of minerals.

13. (1) The Central Government may, by notification in the Official Gazette, make rules for regulating the grant of 1[reconnaissance permits, prospecting licences and

mining leases] in respect of minerals and for 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:-

(a) the person by whom, and the manner in which, applications for [1][reconnaissance permits, prospecting licences or mining leases] in respect of land in which the minerals vest in the Government may be made and the fees to be paid therefor;

form in which, acknowledgement of the receipt of any such application may be sent;

(c) the matters which may be considered where applications in respect of the same land are received on the same day;

(d)[2] The terms and conditions of auction by competitive bidding for selection of the company under section 11A;]

(e) the authority by which [1][reconnaissance permits, prospecting licences or mining leases] in respect of land in which the minerals vest in the Government may be granted;

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[1]Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

[2] Inserted by MMDR Amendment Act, 2010 vide G.O.I Ext. Part II, Section-I No.43 dated 9.9.2010 (No.34 of 2010).

(f) the procedure for obtaining [1][a reconnaissance permit, a prospecting licence or a mining lease] in respect of any land in which the minerals vest in a person other than the Government and the terms on which, and the conditions subject to which, such [2][a permit, licence or lease] may be granted or renewed;

(g) the terms on which, and the conditions subject to which, any other [3][reconnaissance permit, prospecting licence or mining lease] may be granted or renewed;

(h) the facilities to be afforded by holders of mining leases to persons deputed by the Government for the purpose of undertaking research or training in matters relating to mining operations;

(i) the fixing and collection of fees for [4][reconnaissance permits, prospecting licences or mining leases], surface rent, security deposit, fines, other fees or charges and the time within which and the manner in which the dead rent or royalty shall be payable;

(j) the manner in which rights of third parties may be protected (whether by payment of compensation or otherwise) in cases where any such party may be prejudicially affected by reason of any [5][reconnaissance, prospecting or mining operations];

(k) the grouping of associated minerals for the purposes of section 6;

(l) the manner in which, and the conditions subject to which, [1][a reconnaissance permit, a prospecting licence or a mining lease] may be transferred;

(m) the construction, maintenance and use of roads, power transmission lines, tramways, railways, aerial ropeways, pipelines and the making of passages for water for mining purposes on any land comprised in a mining lease;

(n) the form of registers to be maintained under this Act;

1Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

2 Ibid.

3Ibid.

4Ibid.

5Ibid.

(o) (omitted);

(p) the reports and statements to be submitted by holders of 1[reconnaissance permits or prospecting licences] or owners of mines and the authority to which such reports and statements shall be submitted;

(q) the period within which applications for revision of any order passed by a State Government or other authority in exercise of any power conferred by or under this Act, may be made, the fees to be paid therefor and the documents which shall accompany such applications and the manner in which such applications shall be disposed of;

(qq) the manner in which rehabilitation of flora and other vegetation, such as trees, shrubs and the like destroyed by reason of any prospecting or mining operations shall be made in the same area or in any other area selected by the Central Government (whether by way of reimbursement of the cost of rehabilitation or otherwise) by the person holding the prospecting licence or mining lease; and

(r) any other matter which is to be, or may be, prescribed under this Act.

Power of Central Government to make rules for the grant of prospecting licences or mining leases in respect of territorial waters or continental shelf of India.

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.

(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.

1Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

[Sections 5 to 13] not to apply to minor minerals.

14. The provisions of sections 5 to 13 (inclusive) shall not apply to quarry leases, mining leases or other mineral concessions in respect of minor minerals.

Power of State Governments to make rules in respect of minor minerals

15. (1) The State Government may, by notification in the Official Gazette, make rules for regulating the grant of quarry leases, mining leases or other mineral concessions in respect of minor minerals and for purposes connected therewith.

(1A) 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:-

(a) the person by whom and the manner in which, applications for quarry leases, mining leases or other mineral concessions may be made and the fees to be paid therefor;

form in which, acknowledgement of the receipt of any such applications may be sent;

(c) the matters which may be considered where applications in respect of the same land are received within the same day;

(d) the terms on which, and the conditions subject to which and the authority by which quarry leases, mining leases or other mineral concessions may be granted or renewed;

(e) the procedure for obtaining quarry leases, mining leases or other mineral concessions;

(f) the facilities to be afforded by holders of quarry leases, mining leases or other mineral concessions to persons deputed by the Government for the purpose of undertaking research or training in matters relating to mining operations;

(g) the fixing and collection of rent, royalty, fees, dead rent, fines or other charges and the time within which and the manner in which these shall be payable;

(h) the manner in which the rights of third parties may be protected (whether by way of payment of compensation or otherwise) in cases where any such party is prejudicially affected by reason of any prospecting or mining operations;

(i) the manner in which the rehabilitation of flora and other vegetation, such as trees, shrubs and the like destroyed by reasons of any quarrying or mining operations shall be made in the same area or in any other area selected by the State Government (whether by way of reimbursement of the cost of rehabilitation or otherwise) by the person holding the quarrying or mining lease;

(j) the manner in which and the conditions subject to which, a quarry lease, mining lease or other mineral concession may be transferred;

(k) the construction, maintenance and use of roads, power transmission lines, tramways, railways, aerial ropeways, pipelines and the making of passage for water for mining purposes on any land comprised in a quarry or mining lease or other mineral concession;

(l) the form of registers to be maintained under this Act;

(m) the reports and statements to be submitted by holders of quarry or mining leases or other mineral concessions and the authority to which such reports and statements shall be submitted;

(n) the period within which and the manner in which and the authority to which applications for revision of any order passed by any authority under these rules may be made, the fees to be paid therefor, and the powers of the revisional authority; and

(o) any other matter which is to be, or may be prescribed.

(2) Until rules are made under sub-section (1), any rules made by a State Government regulating the grant of quarry leases, mining leases or other mineral concessions in respect of minor minerals which are in force immediately before the commencement of this Act shall continue in force.

(3) The holder of a mining lease or any other mineral concession granted under any rule made under subsection (1) shall pay royalty or dead rent, whichever is more 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 rules framed by the State Government in respect of minor minerals:

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

Power to modify mining leases granted before 25th Oct., 1949

16. (1) (a) All mining leases granted before the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972 if in force at the date of commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1994 shall be brought in conformity with the provisions of this Act and the rules made thereunder within two years from the date of commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1994, 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 two years from the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1994 , or within such further time as the Central Government may, by general or special order, specify in this behalf.

(1A) Where any action is taken under clause (a) or clause (b) of sub-section (1) to bring the period of any lease in conformity with the provisions of this Act and the rules made thereunder, then notwithstanding anything contained in section 8, the period of such lease shall continue to operate for a period of two years from the date of bringing such lease in conformity with the provisions of this Act.

(2) The Central Government may, by notification in the Official Gazette, make rules for the purpose of giving effect to the provisions of sub-section (1) and in particular such rules shall provide-

(a) for giving previous notice of the modification or alteration proposed to be made in any existing mining lease to the lessee and where the lessor is not the Central Government, also to the lessor and for affording him an opportunity of showing cause against the proposal;

(b) for the payment of compensation to the lessee in respect of the reduction of any area covered by the existing mining lease; and

(c) for the principles on which, the manner in which, and the authority by which, the said compensation shall be determined.

SPECIAL POWERS OF CENTRAL GOVERNMENT TO UNDERTAKE PROSPECTING OR MINING OPERATIONS IN CERTAIN CASES

Special powers of Central Government to undertake prospecting or mining operations in certain lands.

17. (1) The provisions of this section shall apply in respect of land in which the minerals vest in the Government of a State or any other person.

(2) Notwithstanding anything contained in this Act, the Central Government, after consultation with the State Government, may undertake [1][reconnaissance, prospecting or mining operations] in any area not already held under any [2][reconnaissance permit, prospecting licence or mining lease], and where it proposes to do so, it shall, by notification in the Official Gazette-

(a) specify the boundaries of such area;

(b) state whether [1][reconnaissance, prospecting or mining operations] will be carried out in the area; and

(c) specify the mineral or minerals in respect of which such operations will be carried out.

(3) Where, in exercise of the powers conferred by sub-section (2), the Central Government undertakes [3][reconnaissance, prospecting or mining operations] in any area, the Central Government shall be liable to pay [4][reconnaissance permit fee or prospecting fee], royalty, surface rent or dead rent, as the case may be, at the same rate at which it would have been payable under this Act, if such [3][reconnaissance, prospecting or mining operations] had been undertaken by a private person under a [5][reconnaissance permit, prospecting licence or mining lease].

(4) The Central Government, with a view to enabling it to exercise the powers conferred on it by sub-section (2) may, after consultation with the State Government, by notification in the Official Gazette, declare that no [6][reconnaissance permit, prospecting licence or mining lease] shall be granted in respect of any land specified in the notification.

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[1]Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

[2] Ibid. [3] Ibid. [4] Ibid. [5] Ibid. [6] Ibid.

Reservation of areas for purposes of conservation.

17A. (1) The Central Government, with a view to conserving any mineral and after consultation with the State Government, may reserve any area not already held under any prospecting licence or mining lease and, where it proposes to do so, it shall, by notification in the Official Gazette, specify the boundaries of such area and the mineral or minerals in respect of which such area will be reserved.

(1A) The Central Government may in consultation with the State Government, reserve any area not already held under any prospecting licence or mining lease, for undertaking prospecting or mining operations through a Government company or corporation owned or controlled by it, and where it proposes to do so, it shall, by notification in the Official Gazette, specify the boundaries of such area and the mineral or minerals in respect of which such area will be reserved.

(2) The State Government may, with the approval of the Central Government, reserve any area not already held under any prospecting licence or mining lease, for undertaking prospecting or mining operations through a Government company or corporation owned or controlled by it and where it proposes to do so, it shall, by notification in the Official Gazette, specify the boundaries of such area and the mineral or minerals in respect of which such areas will be reserved.

(3) Where in exercise of the powers conferred by sub-section(1A) or sub-section (2) the Central Government or the State Government as the case may be undertakes prospecting or mining operations in any area in which the minerals vest in a private person, it shall be liable to pay prospecting fee, royalty, surface rent or dead rent, as the case may be, from time to time at the same rate at which it would have been payable under this Act if such prospecting or mining operations had been undertaken by a private person under prospecting licence or mining lease.

DEVELOPMENT OF MINERALS

Mineral Development.

18. (1) It shall be the duty of the Central Government to take all such steps as may be necessary for the conservation and systematic development of minerals in India and for the protection of environment by preventing or controlling any pollution which may be caused by prospecting or mining operations and for such purposes the Central Government may, by notification in the Official Gazette, make such rules as it thinks fit.

(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:-

(a) the opening of new mines and the regulation of mining operations in any area;

(b) the regulation of the excavation or collection of minerals from any mine;

(c) the measures to be taken by owners of mines for the purpose of beneficiation of ores, including the provision of suitable contrivances for such purpose;

(d) the development of mineral resources in any area;

(e) the notification of all new borings and shaft sinkings and the preservation of bore-hole records, and specimens of cores of all new bore-holes;

(f) the regulation of the arrangements for the storage of minerals and the stocks thereof that may be kept by any person;

(g) the submission of samples of minerals from any mine by the owner thereof and the manner in which and the authority to which such samples shall be submitted; and the taking of samples of any minerals from any mine by the State Government or any other authority specified by it in that behalf;

(h) the submission by owners of mines of such special or periodical returns and reports as may be specified, and the

form in which and the authority to which such returns and reports shall be submitted;

(i) the regulation of prospecting operations;

(j) the employment of qualified geologists or mining engineers to supervise prospecting or mining operations;

(k) the disposal or discharge of waste slime or tailings arising from any mining or metallurgical operations carried out in a mine;

(l) the manner in which and the authority by which directions may be issued to the owners of any mine to do or refrain from doing certain things in the interest of conservation or systematic development of minerals or for the protection of environment by preventing or controlling pollution which may be caused by prospecting or mining operations;

(m) the maintenance and submission of such plans, registers or records as may be specified by the Government;

(n) the submission of records or reports by persons carrying on prospecting or mining operations regarding any research in mining or geology carried out by them;

(o) the facilities to be afforded by persons carrying out prospecting or mining operations to persons authorised by the Central Government for the purpose of undertaking research or training in matters relating to mining or geology;

(p) the procedure for and the manner of imposition of fines for the contravention of any of the rules framed under this section and the authority who may impose such fines; and

(q) the authority to which, the period within which, the form and the manner in which applications for revision of any order passed by any authority under this Act and the rules made thereunder may be made, the fee to be paid and the documents which should accompany such applications.

(3) All rules made under this section shall be binding on the Government.

Power to authorise Geological Survey of India, etc. to make investigation.

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:

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 by 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 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.

(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).

MISCELLANEOUS

Prospecting licences and mining leases to be void if in contravention of Act.

19. Any [1][reconnaissance permit, prospecting licence or mining lease] granted, renewed or acquired in contravention of the provisions of this Act or any rules or orders made thereunder shall be void and of no effect.

Explanation:- Where a person has acquired more than one [1][reconnaissance permit, prospecting licence or mining lease] and the aggregate area covered by such [2][permits,

licences or leases], as the case may be, exceeds the maximum area permissible under section 6, only that [1][reconnaissance permit, prospecting licence or mining lease] the acquisition of which has resulted in such maximum area being exceeded shall be deemed to be void.

Act and rules to apply to all renewals of prospecting licences and mining leases.

20. The provisions of this Act and the rules made thereunder shall apply in relation to the renewal after the commencement of this Act of any prospecting licence or mining lease granted before such commencement as they apply in relation to the renewal of a prospecting licence or mining lease granted after such commencement.

Penalties.

21. [3][(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.]

(2) Any rule made under any provision of this Act may provide that any contravention thereof shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to five thousand rupees, or with both, and in the case of a continuing contravention, with an additional fine which may extend to five hundred rupees for every day during which such contravention continues after conviction for the first such contravention.

(3) Where any person trespasses into any land in contravention of the provisions of

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[1]Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

[2] Ibid.

[3] Ibid.

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.

[1][(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.]

(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.

(6) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, an offence under sub-section (1) shall be cognizable.

Cognizance of offences.

22. No court shall take cognizance of any offence punishable under this Act or any rules made thereunder except upon complaint in writing made by a person authorised in this behalf by the Central Government or the State Government.

Offences by companies.

23. (1) If the person committing an offence under this Act or any rules made thereunder is a company, every person who at the time the offence was committed was in charge of, and was responsible to the company for the conduct of the business of the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to

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Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed with the consent or connivance of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly

Explanation - For the purposes of this section,

(a) "company" means any body corporate and includes a firm or other association of individuals;

(b) "director" in relation to a firm means a partner in the firm.

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:

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.

Power to search.

23B. If any gazetted officer of the Central or a State Government authorised by the Central Government [1][or a State Government, as the case may be,] in this behalf by general or

special order has reason to believe that any mineral has been raised in contravention of the provisions of this Act or rules made thereunder or any document or thing in relation to such mineral is secreted in any place [2][or vehicle,] he may search for such mineral, document or thing and the provisions of section 100 of the Code of Criminal Procedure, 1973 shall apply to every such search.

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[1]Inserted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

[2]Ibid.

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

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:-

(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).]

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[1]Inserted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

Power of entry and inspection.

24. (1) For the purpose of ascertaining the position of the working, actual or prospective,

of any mine or abandoned mine or for any other purpose connected with this Act or the rules made thereunder, any person authorised by the [1][Central Government or a State Government] in this behalf, by general [2][omitted] order, may-

(a) enter and inspect any mine;

(b) survey and take measurements in any such mine;

(c) weigh, measure or take measurements of the stocks of minerals lying at any mine;

(d) examine any document, book, register, or record in the possession or power of any person having the control of, or connected with, any mine and place marks of identification thereon, and take extracts from or make copies of such document, book, register or record;

(e) order the production of any such document, book, register, record, as is referred to in clause (d); and

(f) examine any person having the control of, or connected with, any mine.

(2) Every person authorised by the [3][Central Government or a State Government] under sub-section (1) shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code, and every person to whom an order or summons is issued by virtue of the powers conferred by clause (e) or clause (f) of that sub-section shall be legally bound to comply with such order or summons, as the case may be.

Rights and liabilities of a holder of prospecting licence or mining lease.

24A. (1) On the issue of a [4] [reconnaissance permit, prospecting licence or mining lease] under this Act and the rules made thereunder, it shall be lawful for the

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[1]Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1,No. 51, dated 20.12.99 (No. 38 of 1999).

[2]Omitted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

[3]Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

[4]Ibid.

[1][holder of such permit, licence or lease], his agents or his servants or workmen to enter the lands over which [2] [such permit, lease or licence had been granted] at all times during its currency and carry out all such [3][reconnaissance, prospecting or mining operations] as may be prescribed:

Provided that no person shall enter into any building or upon an 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 his intention to do so.

(2) The holder of a [4][reconnaissance permit, prospecting licence or mining lease] referred to in sub-section (1) shall be liable to pay compensation in such manner as may be prescribed to the occupier of the surface of the land granted under [5][such permit, licence or lease] for any loss or damage which is likely to arise or has arisen from or in consequence of the [6][reconnaissance, mining or prospecting operations].

(3) The amount of compensation payable under sub-section (2) shall be determined by the State Government in the manner prescribed.

Recovery of certain sums as arrears of land revenue.

25. (1) Any rent, royalty, tax, fee or other sum due to the Government under this Act or the rules made thereunder or under the terms and conditions of any [7][reconnaissance permit, 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 an arrear of land revenue.

(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 [7][reconnaissance permit, 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)

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[1]Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II , Section 1, No.51, dated 20.12.99 (No. 38 of 1999).

[2] Ibid

[3]Ibid.

[4]Ibid.

[5]Ibid.

[6]Ibid.

[7]Ibid.

Amendment Act, 1972, together with the interest due thereon shall be a first charge on the assets of the holder of the [1][reconnaissance permit, prospecting licence or mining lease], as the case may be.

Delegation of powers.

26. (1) The Central Government may, by notification in the Official Gazette, direct that any power exercisable by it under this Act may, in relation to such matters and subject to such conditions, if any, as may be specified in the notification be exercisable also by -

(a) Such officer or authority subordinate to the Central Government; or

(b) Such State Government or such officer or authority subordinate to a State Government, as may be specified in the notification.

(2) The State Government may, by notification in the Official Gazette, direct that any power exercisable by it under this Act may, in relation to such matters and subject to such conditions, if any, as may be specified in the notification, be exercisable also by such officer or authority subordinate to the State Government as may be specified in the notification.

(3) Any rules made by the Central government under this Act may confer powers and impose duties or authorise the conferring of powers and imposition of duties upon any State Government or any officer or authority subordinate thereto.

Protection of action taken in good faith.

27. No suit, prosecution or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act.

Rules and notifications to be laid before parliament and certain rules to be approved by parliament.

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 ----------

---------- [1]Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

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.

(2) Without prejudice to the generality of the rule making power vested in the Central Government, no rules made with reference to clause (c) of sub-section (2) of section 16 shall come into force until they have been approved, whether with or without modifications, by each House of Parliament.

(3) Every rule and every notification made by the State Government under this Act shall be laid, as soon as may be after it is made, before each House of the State Legislature where it consists of two Houses, or where such Legislature consists one House, before that House.

Existing rules to continue.

29. All rules made or purporting to have been made under the Mines and Minerals (Regulation and Development) Act, 1948, shall, in so far as they relate to matters for which provision is made in this Act and are not inconsistent therewith, be deemed to have been made under this Act as if this Act had been in force on the date on which such rules were made and shall continue in force unless and until they are superseded by any rules made under this Act.

Power of revision of Central Government.

30. The Central Government may, of its own motion or on application made within the prescribed time by an aggrieved party, revise any order made by a State Government or other authority in exercise of the powers conferred on it by or under this Act with respect to any mineral other than a minor mineral.

Special provisions relating to mining leases for coal granted before 25th October, 1949.

30A. Notwithstanding anything contained in this Act, the provisions of sub-section (1) of section 9 and sub-section (1) of section 16 shall not apply to or in relation to mining leases granted before the 25th day of October, 1949, in respect of coal, but the Central Government, if it is satisfied that it is expedient so to do, may, by notification in the Official Gazette, direct that all or any of the said provisions (including any rules made under sections 13 and 18) shall

apply to or in relation to such leases subject to such exceptions and modifications, if any, as may be specified in that or in any subsequent notification.

Relaxation of rules in special cases.

31. The Central Government may, if it is of opinion that in the interests of mineral development it is necessary so to do, by order in writing and for reasons to be recorded, authorise in any case the grant, renewal or transfer of any [1][reconnaissance permit, prospecting licence or mining lease], or the working of any mine for the purpose of searching for or winning any mineral, on terms and conditions different from those laid down in the rules made under section 13.

32. [Amendments to Act 53 of 1948] Rep. by the Repealing and Amending Act, 1960 (58 of 1960), S. 2 and Sch. I.

Validation of certain acts and indemnity.

33. All acts of executive authority done, proceedings taken and sentences passed under the Mines and Minerals (Regulation and Development) Act, 1948, with respect to the regulation of mines and the development of minerals during the period commencing on the 26th day of January, 1950, and ending with the date of commencement of this Act by the Government or by any officer of the Government or by any other authority, in the belief or purported belief that the acts, proceedings of sentences were being done, taken or passed under the said Act, shall be as valid and operative as if they had been done, taken or passed in accordance with law, and no suit or other legal proceeding shall be maintained or continued against any person whatsoever, on the ground that any such acts, proceedings or sentences were not done, taken or passed in accordance with law.

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[1]Substituted by M M (R D) Amendment Act, 1999, vide G.O.I. Ext. Part II, Section 1, No. 51, dated 20.12.99 (No. 38 of 1999).

THE FIRST SCHEDULE

[See section 4(3), 5(1), 7(2) and 8(2)]

SPECIFIED MINERALS

PART A. Hydro Carbons Energy Minerals

1. Coal and Lignite.

PART B. Atomic Minerals

1. Beryl and other beryllium-bearing minerals.
2. Lithium-bearing minerals.
3. Minerals of the "rare earths" group containing Uranium and Thorium. 4. Niobium-bearing minerals.
5. Phosphorites and other phosphatic ores containing Uranium.
6. Pitchblende and other Uranium ores.
7. [1][Titanium bearing minerals and ores (ilmenite, rutile and leucoxene)]. 8. Tantalum-bearing minerals.
9. Uraniferous allanite, monazite and other thorium minerals.
10. Uranium bearing tailings left over from ores after extraction of copper and gold,
11. ilmenite and other titanium ores.

[1][Zirconium bearing minerals and ores including zircon.]

PART C. Metallic and Non-Metallic Minerals

1. Asbestos.
2. Bauxite.
3. Chrome ore.
4. Copper ore.
5. Gold.
6. Iron ore.
7. Lead.
8. [2][Omitted]
9. Manganese ore.
10. Precious stones.
11. Zinc.

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[1]Substituted by MM(RD) Amendment Act, 1999, Vide G.O.I Ext. Part II, Section I, No. 51, dated 20.12.1999(No. 38 of 1999).

[2]Omitted by MM(RD) Amendment Act, 1999, Vide G.O.I Ext. Part II, Section I, No. 51, dated 20.12.1999(No. 38 of 1999).

[1][THE SECOND SCHEDULE

(See section 9)

RATES OF ROYALTY

RATES OF ROYALTY IN RESPECT OF MINERALS AT ITEM 1 TO 9, 11 TO 37 AND 39 TO 51 APPLICABLE IN ALL STATES AND UNION TERRITORIES EXCEPT THE STATE OF WEST BENGAL

1. Apatite and Rock Phosphate :

(i)Apatite :

Five per cent of sale price on ad valorem basis.

(ii)Rock Phosphate :

(a)Above 25 per cent P_2O_5	Eleven per cent of sale price on ad valorem basis.
(b)Up to 25 per cent P_2O_5	Six per cent of sale price on ad valorem basis.

2. Asbestos :

(a) Chrysotile

(b) Amphibole

Eight hundred eighty rupees per tonne.

Fifteen per cent of sale price on ad valorem basis.

3. Barytes Five and half per cent of sale price on ad valorem basis.

4. Bauxite and Laterite

5. Brown Ilmenite

(a)Zero point five zero per cent of London Metal Exchange Aluminium metal price chargeable on the contained aluminium metal in ore produced for those dispatched for use in alumina and aluminium metal extraction.

(b)Twenty five percent of sale price on ad valorem basis for those dispatched for use other than alumina and aluminium metal extraction and export.

Two per cent of sale price on ad valorem basis.

(Leucoxene), Ilmenite, Rutile and Zircon

[1]Substituted by G.S.R.574 (E) dated 13.8.2009

6. Cadmium Fifteen per cent of sale price on ad valorem basis.

7. Calcite Fifteen per cent of sale price on ad valorem basis.

8. China clay/Kaolin (including ball clay, white shale and white clay) :

(a) Crude Eight per cent of sale price on ad valorem basis.

(b) Processed (including washed)

Ten per cent of sale price on ad valorem basis.

9. Chromite Ten per cent of sale price on ad valorem basis.

"10.* COAL (including Lignite)

A.Coal produced in all the States and Union territories except the State of West Bengal.

(1)Royalty on Coal:

The rate of royalty on coal shall be @ 14% (Fourteen percent) ad-valorem on price of coal, as reflected in the invoice, excluding taxes, levies and other charges.

(2)Royalty on Lignite:

The rate of royalty on lignite shall be @ 6% (Six percent) ad-valorem on transfer price of lignite, as ratified by the Central Electricity Regulatory Commission (CERC) and for lignite sold to other consumers, the royalty shall be @ 6% (Six percent) ad valorem on the price of lignite as reflected in the invoice, excluding taxes, levies and other charges.

(3)Royalty on coal and lignite produced from captive mines:

For calculating royalty on coal and lignite produced from captive mines, the price of coal and lignite shall mean the basic pithead price of Run of Mine (ROM) coal and lignite, as notified by the Coal India Ltd. / Singareni Collieries Company Ltd. / Neyveli Lignite Corporation, for similar Gross Calorific Value (GCV) of coal or lignite for the mines, nearest to that captive mine;

Provided that for the coal and lignite produced from the coal and lignite blocks, allocated under the Government dispensation route for commercial use, the respective ad-valorem royalty shall be applicable on the price notified by the respective State Governments.

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*Substituted by G.S.R.349 (E) dated 10.5.2012.

(4)Adjustment of royalty against levying of cess:

For the States other than West Bengal, for the levy of cess or other taxes specific to coal bearing lands, the royalty allowed shall be adjusted for the local cesses or such taxes, so as to limit the overall revenue yield.

B.Coal produced in the State of West Bengal.

Group	Quality of Coal	Royalty on coal in Rupees per tonne
Group – I	Steel Gr-I	Seven rupees only per tonne
	Steel Gr.II	
	Washery-I	
	Direct Feed	
Group – II	Washery-II	Six rupees and fifty paise only per tonne
	Washery-III	
	Semi Coking Gr-I	
	Semi Coking Gr-II	
	Non-Coking Coal having GCV(Kcal/kg) range of 6701 and above	
	Non-Coking Coal having GCV(Kcal/kg) range of 6401-6700)	
	Non-Coking Coal having GCV(Kcal/kg) range of 6101-6400	

Group-III	Washery-IV	Five rupees and fifty paise only per tonne
	Non-Coking Coal having GCV(Kcal/kg) range of 5801-6100	
	Non-Coking Coal having GCV(Kcal/kg) range of 5501-5800	
	Non-Coking Coal having GCV(Kcal/kg) range of 5201-5500	
Group-IV	Non-Coking Coal having GCV(Kcal/kg) range of 4901-5200	Four rupees and thirty paise only per tonne
	Non-Coking Coal having GCV(Kcal/kg) range of 4601-4900	
	Non-Coking Coal having GCV(Kcal/kg) range of 4301-4600	
Group-V	Non-Coking Coal having GCV(Kcal/kg) range of 4001-4300	Two rupees and fifty paise only per tonne
	Non-Coking Coal having GCV(Kcal/kg) range of 3701-4000	
	Non-Coking Coal having GCV(Kcal/kg) range of 3401-3700	
	Non-Coking Coal having GCV(Kcal/kg) range of 3101-3400	
	Non-Coking Coal having GCV =<3100	

11. Columbite-tantalite

Ten per cent of sale price on ad valorem basis

12. Copper Four point two per cent of London Metal Exchange copper metal price chargeable on the contained copper metal in ore produced.

13. Diamond Eleven point five per cent of sale price on ad valorem basis.

14. Dolomite Sixty-three rupees per tonne.

15. Felspar Twelve per cent of sale price on ad valorem basis

16. Fireclay Twelve per cent of sale price on ad valorem basis. (including plastic, pipe, lithomargic and natural pozzolanic clay)

17. Fluorspar Six point five per cent of sale price on (also called fluorite) ad valorem basis

18. Garnet :

(a) Abrasive

Three per cent of sale price on ad valorem basis.

(b) Gem Ten per cent of sale price on ad

valorem basis

19.Gold :

(a)Primary

(b)By-product gold

20. Graphite :

(a) with 40 per cent or more fixed carbon

(b)with less than 40 per cent fixed carbon

Two per cent of London Bullion Market Association Price (commonly referred to as "London Price") chargeable on the contained gold metal in ore produced.

Three point three per cent of London Bullion Market Association Price (commonly referred to as "London Price") chargeable on by-product gold metal actually produced.

Two per cent of sale price on ad valorem basis.

Twelve per cent of sale price on ad valorem basis

21. Gypsum Twenty per cent of sale price on ad valorem basis.

22. Iron Ore :

(lumps, fines & concentrates all grades)

23. Lead

24. Limestone :

(a)L.D. grade(less than one and half per cent silica content)

Ten per cent of sale price on ad valorem basis.

Seven per cent of London Metal Exchange lead metal price chargeable on the contained lead metal in ore produced.

Twelve point seven per cent of London Metal Exchange lead metal price chargeable on the contained lead metal in the concentrate produced.

Seventy two rupees per tonne.

(b)Others Sixty three rupees per tonne

25. Lime kankar

26. Limeshell

27. Magnesite

Sixty three rupees per tonne

Sixty three rupees per tonne

Three per cent of sale price on ad valorem basis.

28. Manganese Ore :

(a)Ore of all grades (b)Concentrates

29. Crude Mica, Waste Mica

Four point two per cent of sale price on ad valorem basis.

One point four per cent of sale price on ad valorem basis.

Four per cent of sale price on ad

and Scrap Mica valorem basis.

30. Monazite

One hundred and twenty five rupees per tonne.

31. Nickel Zero point one two per cent of London Metal Exchange nickel metal price chargeable on contained nickel metal in ore produced.

32. Ochre Twenty rupees per tonne.

33. Pyrites Two per cent of sale price on ad valorem basis.

34. Pyrophyllite

Twenty per cent of sale price on ad valorem basis.

35. Quartz Fifteen per cent of sale price on ad valorem basis.

36. Ruby Ten per cent of sale price on ad valorem basis.

37. Silica sand, Moulding sand and Quartzite

38. ** Sand for Stowing

Eight per cent of sale price on ad valorem basis.

Three rupees per tonne

39. Selenite Ten per cent of sale price on ad valorem basis.

40. Sillimanite

41. Silver

(a) By-product

(b)Primary silver

Two and half per cent of sale price on ad valorem basis.

Seven per cent of London Metal Exchange Price chargeable on by-product silver metal actually produced.

Five per cent of London Metal Exchange silver metal price chargeable on the contained silver metal in ore produced.

42. Slate Forty five rupees per tonne

43. Talc, Steatite and Eighteen per cent of sale price on ad Soapstone valorem basis.

44. Tin Seven point five per cent of London Metal Exchange tin metal price chargeable on the contained tin metal in ore produced

45. Tungsten Twenty rupees per unit per cent of contained WO_3 per tonne of ore and on pro rata basis.

46. *** Uranium

47. Vanadium

48. Vermiculite

49. Wollastonite

	Royalty on mineral uranium at the rate of two per cent of the compensation amount received by M/s. Uranium Corporation of India Limited (UCIL), for the mineral uranium and the total amount of royalty will be apportioned among the different states on the basis of data provided by Department of Atomic Energy.	
	Twenty per cent of sale price on ad valorem basis.	
	Three per cent of sale price on ad valorem basis.	
	Twelve per cent of sale price on ad valorem basis.	
50.Zinc	Eight per cent of London Metal Exchange zinc metal price on ad valorem basis chargeable on contained zinc metal in ore produced.	
	Eight point four per cent of London Metal Exchange zinc metal price on ad valorem basis chargeable on contained zinc metal in concentrate produced.	
51. All other minerals not here-in-before specified [Agate, Chalk, Clay(Others), Corundum, Diaspore, Dunite, Felsite, Fuschite-Quartzite, Kyanite, Jasper, Perlite, Rock Salt, Shale, Pyroxenite, etc.]	Ten per cent of sale price on ad valorem basis.	

Explanation :

1. For the purpose of grading of coal the specification of each grade of the coal shall be as prescribed under rule 3 of the Colliery Control Rules, 2004.

2. Rates of royalty in respect of item No.10 relating to Coal including Lignite as revised vide notification number G.S.R. 349 (E), dated the 10th May, 2012, of the Government of India in the Ministry of Coal shall remain in force until revised through a separate notification by the Ministry of Coal.

** Rates of Royalty in respect of item 38 relating to Sand for Stowing as revised vide notification number G.S.R. 214(E) dated the 11th April, 1997 will remain in force until revised through a separate notification by the Department of Coal.

*** Rates of royalty in respect of item No.46 relating to Uranium as revised vide notification number G.S.R. 96(E), dated the 13th February, 2009 will remain in force until revised.

Note: The rates of royalty for the State of West Bengal in respect of minerals except the mineral specified against item number 10 shall remain the same as specified in the notification of the Government of India in the Ministry of Steel and Mines (Department of Mines) number G.S.R. 458(E), dated the 5th May, 1987 till the outcome of litigation pending in the Supreme Court of India.

[1]THE THIRD SCHEDULE

(See Section 9A)

RATES OF DEAD RENT

1.Rate of dead rent applicable to the leases granted for low value minerals are as under :

Rates of dead rent in rupees per hectare per annum

From second years of lease	Third year and fourth year	Fifth year onward
200	500	1000

2.Two times the rate specified under (1) above in case of lease granted for medium value mineral(s).

3.Three times the rates specified under (1) above in case of lease granted for high value mineral(s).

4.Four times the rates specified under (1) above in case of lease granted for precious metals and stones.

Note :

1. For the purpose of this notification –

(a)**"precious metals and stones"** means gold, silver, diamond, ruby, sapphire and emerald; (b)**"high value minerals"** means semi-precious stones (agate, gem garnet), corundum, copper, lead, zinc, asbestos (chrysotile variety) and mica;

(c)**"medium value minerals"** means chromite, manganese ore, kyanite, sillimanite, vermiculite, magnesite, wollastonite, perlite, diaspore, apatite, rock phosphate, fluorite (fluorspar) and barytes;

(d)**"low value minerals"** means minerals other than precious metals and stones, high value minerals and medium value minerals;

2. The rates of dead rent for the State of West Bengal shall remain the same as specified in the notification of the Government of India in the Ministry of Steel and Mines (Department of Mines) No. G.S.R. 458(E), dated the 5th May, 1987" till the outcome of pending litigation in the Supreme Court of India.

[1] Substituted by GSR 575(E) dt.13.8.2009