

LOK SABHA

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THE MINES AND MINERALS (REGU-  
LATION AND DEVELOPMENT)  
BILL, 1957

**(Report of the Joint Committee)**

PRESENTED ON THE 16TH DECEMBER, 1957



सत्यमेव जयते

LOK SABHA SECRETARIAT  
NEW DELHI  
*December, 1957*

LIST OF SELECT/JOINT COMMITTEE REPORTS  
PRESENTED TO LOK SABHA DURING FIRST, SECOND  
AND THIRD SESSIONS OF SECOND LOK SABHA, 1957.

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FIRST SESSION

<u>S.NO.</u>	<u>TITLE</u>	<u>DATE OF PRESENTATION</u>
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NIL

SECOND SESSION

- |    |   |             |
|----|---|-------------|
| 1. | The Wealth-Tax Bill, 1957 (Report of the Select Committee)      | 17 - 8 - 57 |
| 2. | The Expenditure-Tax Bill, 1957 (Report of the Select Committee) | 26 - 8 - 57 |

THIRD SESSION

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|----|---|--------------|
| 1. | The Navy Bill, 1957 (Report of the Joint Committee)   | 11 - 11 - 57 |
| 2. | The Delhi Development Bill, 1957 (Report of the Joint Committee)                                | 11 - 11 - 57 |
| 3. | The Delhi Municipal Corporation Bill, 1957 (Report of the Joint Committee)                      | 11 - 11 - 57 |
| 4. | The Mines and Minerals (Regulation and Development) Bill, 1957. (Report of the Joint Committee) | 16 - 12 57   |
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**THE MINES AND MINERALS (REGULATION AND DEVELOPMENT) BILL, 1957**

**Composition of the Joint Committee**

*Lok Sabha*

**Shri C. R. Pattabhi Raman—Chairman**

**MEMBERS**

2. Shri T. N. Viswanatha Reddy
3. Shri Liladhar Kotoki
4. Shri Ghanshyamlal Oza
5. Shri P. C. Bose
6. Shri Vidya Charan Shukla
7. Shri H. C. Heda
8. Shri K. G. Wodeyar
9. Dr. N. C. Samantsinhar
10. Shri Hem Raj
11. Shri Jaswantraj Mehta
12. Shri Keshava Deva Malaviya
13. Shri Rup Narain
14. Shri Arun Chandra Guha
15. Shri Bibhuti Bhushan Das Gupta
16. Shri T. B. Vittal Rao
17. Shri Khushwaqt Rai
18. Shri Ignace Beck
19. Shri Shankarrao Khanderao Dige
20. Sardar Swaran Singh

*Rajya Sabha*

21. Shri Amolakh Chand
22. Shri Akbar Ali Khan
23. Shri J. N. Kaushal
24. Shrimati Sharda Bhargava
25. Shri Ram Gopal Agarwal

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26. Shri R. K. Malviya
27. Shri Maheswar Naik
28. Shri J. V. K. Vallabharao
29. Shri Kishen Chand
30. Shri T. Bhaskara Rao.

**DRAFTSMEN**

Shri G. R. Rajagopaul, *Additional Secretary and Chief Draftsman, Ministry of Law.*

Shri S. K. Hiranandani, *Additional Draftsman, Ministry of Law.*

**SECRETARIAT**

Shri A. L. Rai—*Under Secretary.*

## Report of the Joint Committee

I, the Chairman of the Joint Committee to which the \*Bill to provide for the regulation of mines and the development of minerals under the control of the Union was referred, having been authorised to submit the report on their behalf, present this their Report, with the Bill as amended by the Committee annexed thereto.

2. The Bill was introduced in the Lok Sabha on the 29th July, 1957. The motion for reference of the Bill to a Joint Committee of the Houses (*vide* Appendix I) was moved by Shri Keshava Deva Malaviya on the 13th November, 1957 and was discussed in the Lok Sabha and adopted on the same day.

3. The Rajya Sabha discussed and concurred in the said motion on the 19th November, 1957 (*vide* Appendix II).

4. The message from the Rajya Sabha was read out in the Lok Sabha on the 21st November, 1957.

5. The Committee held ten sittings in all.

6. The first sitting of the Committee was held on the 25th November, 1957 to draw up a programme of work.

7. The Committee at their second, third and fourth sittings held on the 30th November, 3rd and 4th December, 1957, respectively had a general discussion on the provisions of the Bill.

8. The Committee considered the Bill clause by clause at their sittings held from 4th to 9th December, 1957.

9. One Memorandum from Messrs. Bokaro and Ramgur Ltd., Calcutta and others on the Bill was received by the Committee and was circulated to the members.

10. The Report of the Committee was to be presented by the 9th December, 1957. The Committee were granted extension of time by the Lok Sabha on the 9th December, 1957 upto the 16th December, 1957.

11. The Committee considered and adopted the Report on the 13th December, 1957.

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\*Published in Part II, Section 2 of the Gazette of India, Extraordinary, dated the 29th July, 1957.

12. The observations of the Committee with regard to the principal changes proposed in the Bill are detailed in the succeeding paragraphs.

13. *Clause 3.—Item (a).*—The Committee feel that the exclusion of minor minerals from the definition may have the effect of excluding them from the declaration under clause 2.

Accordingly the words “and minor minerals” have been omitted in this item.

*Item (e).*—The Committee feel that sand used for industrial purposes particularly in the manufacture of glass should not be treated as a minor mineral. It is not possible to define this kind of sand in technical and scientific terms. The Committee therefore consider that rules may describe such sand with reference to the purpose for which it may be used.

The definition has been amended accordingly.

14. *Clause 4.*—A proviso has been added to sub-clause (1) to save prospecting and mining operations undertaken in pursuance of prospecting licence and mining lease granted before the commencement of this Act.

15. *Clause 5.*—The Committee feel that in addition to other conditions provided in the original clause 5, a person should also possess an income-tax clearance certificate before he can obtain a prospecting licence or mining lease.

Sub-clause (1) has been redrafted accordingly.

16. *Clause 7.*—The words “for the manufacture of aluminium” after the word “bauxite” are unnecessary and should be omitted.

The Committee feel that provision should be made for the renewal of prospecting licences at the discretion of the State Government if circumstances so require, but such power should be exercised only with the previous approval of the Central Government in the case of minerals specified in the First Schedule. Clause 7 has been recast accordingly.

17. *Clause 8.*—The Committee feel that provision should be made for the renewal of mining leases at the discretion of the Central Government if in the interests of mineral development it is necessary so to do. The Committee further feel that a renewal in respect of a mineral specified in the First Schedule should be only with the previous approval of the Central Government. Clause 8 has been recast accordingly.

18. *Clause 9.*—The Committee feel that the rates of royalty laid down in the Second Schedule should also apply to minerals mined by holders of mining leases granted before the commencement of this Act, including those granted before 1949.

The Committee further feel that the restriction imposed on the power of the Central Government to alter the rate of royalty under item (b) of the proviso to sub-clause (2) should apply only where the royalty is enhanced and that the period of two years specified in that item should be increased to four years.

The clause has been amended accordingly.

19. *Clause 10.*—The Committee feel that since the date of receipt of application decides the orders of priority, an acknowledgement of the receipt of the application should be sent at once to the applicant. However as it is not possible to provide for various types of cases of applications (*e.g.* application sent by post) in the statute itself the matter is left to be regulated by rules.

Sub-clause (2) has been amended accordingly.

The Committee recommend that provision should be made in the rules for immediate acknowledgement of applications on their receipt and where application is given in person, acknowledgement may be given forthwith to the person presenting it.

20. *Clause 11.*—In the proviso to sub-clause (2) the words “and after obtaining the previous approval of the Central Government” have been omitted as the Committee think that in such cases the State Government should have the power. An aggrieved party can move the Central Government in revision under the new clause 30.

21. *Clause 13.*—Amendment made in the clause is of a consequential nature.

22. *Clause 14 (new clause).*—Under clause 15 (original clause 14) the State Governments are empowered to make rules for regulating the grant of prospecting licences and mining leases in respect of minor minerals.

The Committee therefore feel that it should be specifically provided that the procedure laid down in clauses 4 to 13 shall not apply to minor minerals.

23. *Clause 16 (original clause 15).*—The Committee have given careful thought to this clause and feel that a mandatory provision should be made to the effect that all mining leases granted prior to the 25th day of October, 1949, shall be brought into conformity with the provisions of this Act and the rules framed thereunder.



The Committee however feel that the Central Government should have power in exceptional cases in the public interest to permit the holder of a mining lease to hold the lease for an area in excess of that specified in clause 6(1) (b) or for a period exceeding that specified in clause 8(1).

The other amendments are of a drafting nature.

The clause has been revised accordingly.

24. *Clause 17 (original clause 16).*—The Committee feel that the terms and conditions subject to which prospecting or mining operations may be carried on by the Central Government should be the same as are applicable to the case of a private person, and that nothing should be left to be agreed upon between the Central Government and the State Government.

The clause has been amended accordingly.

25. *Clause 28 (original clause 27).*—The Committee feel that all notifications issued by the Central Government should also be laid before Parliament.

26. *Clause 29 (new clause).*—The Committee feel that until new rules are made a provision should be made for the continuance of the existing Rules framed under the Mines and Minerals (Regulation and Development) Act, 1948.

27. *Clause 30 (new clause).*—The Committee feel that the Central Government should have the power to revise any order passed by a State Government or an authority subordinate to the State Government either on its own motion or on an application made by an aggrieved party.

28. *Clause 31 (original clause 28).*—The clause has been recast so as to restrict the application of the provisions of this Act to rules made under clause 13.

29. *(Original clause 29).*—The clause has been omitted, as the only provision which should limit the Government are the technical rules made under clause 18 (original clause 17) and a provision to that effect has been made in that clause.

30. The Joint Committee recommend that the Bill as amended be passed.

C. R. PATTABHI RAMAN,  
Chairman,  
Joint Committee.

NEW DELHI;  
The 14th December, 1957.

## MINUTES OF DISSENT

### I

I regret that no provision has been made by the Joint Committee in the Bill for making a compulsory provision in the mining leases for providing necessary amenities to labour in the mines. It was stated that such a provision in the Bill was not necessary as there were relevant statutes providing for amenities for labour and that this legislation would usurp the jurisdiction of the Labour Ministry. The experience has, however, shown that the lessees generally do not provide even the minimum amenities to labour at the initial stage on the plea that they were not bound to provide them under the terms of the lease. The result has been that for many years after the start of mining operations they have to undergo immense suffering due to lack of necessary housing and water supply facilities. My personal inspection of Labour Colonies throughout the country confirms the view that the living conditions of Labour in the majority of mines are very poor even after decades of existence of the establishment.

For the past about ten years the Government through the Coal Mines Labour Welfare Fund have been exerting their utmost to persuade the private employers in Coal Industry to construct houses for labourers on subsidy and subsidy cum loan basis. Such efforts have met with failure. Ultimately they were compelled to take the decision to construct houses entirely out of the fund. I have no doubt in my mind under the circumstances that immediately after acquiring the lease the employer would come forward with demand for construction of labour houses from the very initial stage, as now he stands under no obligation, and the Government would be faced with immense difficulty.

The Labour Welfare Fund exists for Mica industry, and the Manganese industry will also have this fund soon. The Constitution of the Labour Welfare Fund for other minerals will have to follow suit. And I have no doubt these funds will have to undertake construction of Labour housing. It is impossible for any such Welfare Fund to provide houses or even temporary accommodation at the start of the industry. The Government does make provision for initial facilities like temporary accommodation in hutments etc.,

water supply and proper medical aid before starting any mining operation or industry. These initial facilities are generally lacking in the case of a private lessee and the labour has to undergo immense sufferings. We have to guard against such attitude of the private employer as also to check undesirable persons from obtaining leases. I submit that rules should lay down the minimum standards of facilities to be provided to the labour at the very start of the mining operations and to incorporate them in the prospecting licence and the mining lease.

There is no likelihood of any duplication or over-riding the jurisdiction of the Ministry of Labour. At worst it may be an overlapping safeguard. Even if it were so it is necessary to protect the interests of the labour and the industry as a whole and I feel that a provision as suggested above should be made.

NEW DELHI;

R. K. MALVIYA

The 14th December, 1957.

## II

I regret to record that I am not able to agree with the majority view of the Joint Committee.

The development of the Mines and Minerals is of vital importance in the economic life of India. It depends, on the mineral policy of the State.

The Government of India, in the Industrial Policy Resolution, 1956, has declared clearly, its objective in the following words,—“It is *urgent* to reduce disparities in income and wealth which exist today, to prevent private monopolies and the concentration of economic power in different fields in the hands of small number of individuals.” And to materialize this the policy enunciated has been “all industries of basis and strategic importance or in the nature of public utility services should be in the public sector. Other industries which are essential and require investment on a scale which only the State in present circumstances could provide have also to be in the public sector”.

The present Bill as such cannot help to achieve the objective as declared. I need not go into details. One has only to examine the clauses to realise this.

There is an important thing to be taken into consideration which should have been the guiding factor of this Bill—the prevention of private monopolies and the concentration of economic

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power. To achieve this, there should be, on one hand main stress on the public sector and in case of private sector—there should be definite restrictions and limitations, so that there cannot be any scope for monopoly or the concentration of economic power. Clauses have been inserted in the Bill imposing restriction no doubt, but at the same time wide relaxation also has been provided, almost in every case by a subsequent proviso or a sub clause, which can nullify the provision of the main clause.

I specifically take exception to the clause 31. Clause 28 of the original draft had practically abrogated the whole Bill. It has been amended a bit and inserted as clause 31. It now gives power to the Central Government to disregard all the rules made under clause 13 which practically covers the entire sphere of the Bill.

Finally I would like to mention that this Bill lacks firm stand which is essential in the present situation. An unsuccessful attempt to adjust the interest of the private monopolies to the declared "Industrial Policy" is apparent. As a result it has not been able to do justice to any of them and consequently the character of the mining laws and regulations as proposed has been dubious.

BIBHUTI BHUSHAN DAS GUPTA

NEW DELHI;

*The 14th December, 1957.*

### III

I agree with the Report. But I think that the necessary protection clause has not been inserted for the protection of the village artisans, who eke out their livelihood by taking out gold and silver particles from the sands of river beds or the blacksmiths who work out the small patches of iron ore or coal in the hills for the manufacture of implements of husbandry. Working of these minerals by them may attract the provisions of clauses 4 and 20 of the Bill. Therefore an explanation should be added to these clauses for exempting their working or some rules to this effect be framed under clause 20 of the Bill.

HEM RAJ

NEW DELHI;

*The 14th December, 1957.*

# THE MINES AND MINERALS (REGULATION AND DEVELOPMENT) BILL, 1957

## ARRANGEMENT OF CLAUSES

### PRELIMINARY

#### CLAUSES

1. Short title, extent and commencement.
2. Declaration as to expediency of Union control.
3. Definitions.

#### GENERAL RESTRICTIONS ON UNDERTAKING, PROSPECTING AND MINING OPERATIONS

4. Prospecting or mining operations to be under licence or lease.
5. Restrictions on the grant of prospecting licences or mining leases.
6. Maximum area for which a prospecting licence or mining lease may be granted.
7. Periods for which prospecting licences may be granted or renewed.
8. Periods for which mining leases may be granted or renewed.
9. Royalties in respect of mining leases.

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

10. Application for prospecting licences or mining leases.
11. Preferential right of certain persons.
12. Registers of prospecting licences and mining leases.

#### RULES FOR REGULATING THE GRANT OF PROSPECTING LICENCES AND MINING LEASES

13. Power of Central Government to make rules in respect of minerals.
14. Sections 4 to 13 not to apply to minor minerals.
15. Power of State Governments to make rules in respect of minor minerals.

(ii)

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

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

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

**DEVELOPMENT OF MINERALS**

18. Mineral development.

**MISCELLANEOUS**

19. Prospecting licences and mining leases to be void if in contravention of Act.
20. Act and rules to apply to all renewals of prospecting licences and mining leases.
21. Penalties.
22. Cognizance of offences.
23. Offences by companies.
24. Power of entry and inspection.
25. Recovery of certain sums as arrears of land revenue.
26. Delegation of powers.
27. Protection of action taken in good faith.
28. Rules and notifications to be laid before Parliament and certain rules to be approved by Parliament.
29. Existing rules to continue.
30. Power of revision of Central Government.
31. Relaxation of rules in special cases.
32. Amendments to Act 53 of 1948.
33. Validation of certain acts and indemnity.

**THE FIRST SCHEDULE.—SPECIFIED MINERALS.**

**THE SECOND SCHEDULE.—RATES OF ROYALTY.**

**THE THIRD SCHEDULE.—AMENDMENTS TO THE MINES AND  
MINERALS (REGULATION AND DEVELOPMENT) ACT, 1948.**

**THE MINES AND MINERALS (REGULATION AND  
DEVELOPMENT) BILL, 1957**

(AS AMENDED BY THE JOINT COMMITTEE)

*(Words underlined or side-lined indicate the amendments suggested  
by the Committee; asterisks indicate omissions)*

A

**BILL**

*to provide for the regulation of mines and the development of  
minerals under the control of the Union.*

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

**PRELIMINARY**

1. (1) This Act may be called the Mines and Minerals (Regu- Short title,  
5 lation and Development) Act, 1957. extent and  
commence-  
ment.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Gov-  
ernment may, by notification in the Official Gazette, appoint.

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

Defini-  
tions.

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; 5

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

(e) “minor minerals” means building stones, gravel, ordi- 10  
nary 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 15  
this Act;

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

(h) “prospecting operations” means any operations under-  
taken for the purpose of exploring, locating or proving mineral 20  
deposits; and

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

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GENERAL RESTRICTIONS ON UNDERTAKING PROSPECTING AND MINING  
OPERATIONS

25

Prospect-  
ing or  
mining  
operations  
to be  
under  
licence or  
lease.

4. (1) No person shall undertake any prospecting or mining oper-  
ations in any area, except under and in accordance with the terms  
and conditions of a prospecting licence or, as the case may be, a min-  
ing lease, granted under this Act and the rules made thereunder:

Provided that nothing in this sub-section shall affect any prospect- 30  
ing or mining 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.

(2) No prospecting licence or mining lease shall be granted other- 35  
wise than in accordance with the provisions of this Act and the rules  
made thereunder.



5. (1) No prospecting licence or mining lease shall be granted by a State Government to any person unless he—

Restrictions on the grant of prospecting licences or mining leases.

(a) holds a certificate of approval in the prescribed form from the State Government;

5 (b) produces from the Income-tax Officer concerned an income-tax clearance certificate in the prescribed form; and

(c) satisfies such other conditions as may be prescribed.

*Explanation.*—For the purposes of this sub-section, a person shall be deemed to hold a certificate of approval notwithstanding that at 10 the relevant time his certificate of approval has expired if an application for its renewal is pending at that time.

(2) Except with the previous approval of the Central Government, no prospecting licence or mining lease shall be granted—

15 (a) as respects any mineral specified in the First Schedule, or

(b) to any person who is not an Indian national.

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

20 (a) in the case of a public company as defined in the Companies Act, 1956, only if a majority of the directors of the company are citizens of India and not less than fifty-one per cent. of the share capital thereof is held by persons who are either citizens of India or companies as defined in the said Act;

25 (b) in the case of a private company as defined in the said Act, only if all the members of the company are citizens of India;

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

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

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

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

35 (a) one or more prospecting licences covering a total area of more than fifty square miles; or

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

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

5

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

Periods for which prospecting licences may be granted or renewed.

7. (1) The period for which a prospecting licence may be granted shall not—

(a) in the case of mica, exceed one year; and

(b) in the case of any other mineral, exceed two years.

(2) A prospecting licence may be renewed for one or more periods each not exceeding the period for which the prospecting licence was originally granted if the State Government is satisfied that a longer period is required to enable the licensee to complete prospecting operations:

Provided that no prospecting licence granted in respect of a mineral specified in 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 period for which a mining lease may be granted shall not—

(a) in the case of coal, iron ore or bauxite, exceed thirty years; and

(b) in the case of any other mineral, exceed twenty years.

(2) A mining lease may be renewed—

(a) in the case of coal, iron ore or bauxite, for one period not exceeding thirty years; and

(b) in the case of any other mineral, for one period not exceeding twenty years:

Provided that no mining lease granted in respect of a mineral specified in the First Schedule shall be renewed except with the previous approval of the Central Government.

(3) Notwithstanding anything contained in sub-section (2), if the Central 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 for a further period or periods not exceeding in each case the period for which the mining lease was originally granted.

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 royalties in respect of any mineral removed by him from the leased area after such commencement, at the rate for the time being specified in the Second Schedule in respect of that mineral.

Royalties  
in respect  
of mining  
leases.

(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 by him from the leased area at the rate for the time being specified in the Second Schedule in respect of that mineral.

(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—

(a) fix the rate of royalty in respect of any mineral so as to exceed twenty per cent. of the sale price of the mineral at the pit's head, or

(b) enhance the rate of royalty in respect of any mineral more than once during any period of four years.

**PROCEDURE FOR OBTAINING PROSPECTING LICENCES OR MINING LEASES IN  
RESPECT OF LAND IN WHICH THE MINERALS VEST IN THE GOVERN-  
MENT**

10. (1) An application for a prospecting licence or a 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.

Application  
for prospect-  
ing licen-  
ces or  
mining  
leases.

(2) Where an application is received under sub-section (1), there shall be sent to the applicant an acknowledgment 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 licence or lease. 5

Preferential  
right of  
certain  
persons.

11. (1) Where a prospecting licence has been granted in respect of any land, the licensee shall have a preferential right for obtaining a mining lease in respect of that land over any other person: 10

Provided that the State Government is satisfied that the licensee has not committed any breach of the terms and conditions of the prospecting licence and is otherwise a fit person for being granted the mining lease.

(2) Subject to the provisions of sub-section (1), where two or more persons have applied for a prospecting licence or a mining lease in respect of the same land, the applicant whose application was received earlier shall have a preferential right for the grant of the licence or lease, as the case may be, over an applicant whose application was received later: 15 20

Provided 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 prospecting licence or mining lease, as the case may be, to such one of the applicants as it may deem fit. 25

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

(a) any special knowledge of, or experience in, prospecting operations or mining operations, as the case may be, possessed by the applicant; 30

(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) such other matters as may be prescribed.

(4) Notwithstanding anything contained in sub-section (2) but subject to the provisions of sub-section (1), the State Government 35

may for any special reasons to be recorded and with the previous approval of the Central Government, grant a prospecting licence or a mining lease to an applicant whose application was received later in preference to an applicant whose application was received earlier.

5 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 licensees;
- (c) a register of applications for mining leases; and
- 10 (d) a register of mining lessees;

Registers of prospecting licences and mining leases.

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 holding a certificate of approval from the State Government  
15 or by an authorised agent of such person, on payment of such fee as the State Government may fix.

#### RULES FOR REGULATING THE GRANT OF PROSPECTING LICENCES AND MINING LEASES

20 13. (1) The Central Government may, by notification in the Official Gazette, make rules for regulating the grant of prospecting licences and mining leases in respect of minerals \* \* \* \* \* and for purposes connected therewith.

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

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

(a) the person by whom, and the manner in which, applications for 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;

30 (b) the time within which, and the form in which, acknowledgment 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;

35 (d) the persons to whom certificates of approval may be granted, the form of such certificates and the fees payable for the grant, or renewal thereof;

(e) the authority by which prospecting licences or mining leases in respect of land in which the minerals vest in the Government may be granted;

(f) the procedure for obtaining 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 a licence or lease may be granted or renewed; 5

(g) the terms on which, and the conditions subject to which, a prospecting licence or a 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; 10

(i) the fixing and collection of dead rent, fines, fees or other charges and the collection of royalties in respect of—

(i) prospecting licences, 15

(ii) mining leases,

(iii) minerals mined, quarried, excavated or collected;

(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 20 reason of any 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, a prospecting licence or a mining lease may be transferred; 25

(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; 30

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

(p) the reports and statements to be submitted by holders of prospecting licences or owners of mines and the authority to 35 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 and the manner in which such applications shall be 40 disposed of; and

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

5 14. The provisions of sections 4 to 13 (inclusive) shall not apply to prospecting licences and mining leases in respect of minor minerals. Sections 4 to 13 not to apply to minor minerals.

15. (1) The State Government may, by notification in the Official Gazette, make rules for regulating the grant of prospecting licences and mining leases in respect of minor minerals and for purposes connected therewith. Power of State Governments to make rules in respect of minor minerals.

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

\* \* \* \* \*

15 16. (1) All mining leases granted before the 25th day of October, 1949, shall, as soon as may be after the commencement of this Act, be brought into conformity with the provisions of this Act and the rules made under sections 13 and 18: Power to modify mining leases granted before 25th October, 1949.

20 Provided that if the Central Government is of opinion that in the interests of mineral development it is expedient so to do, it may, for reasons to be recorded, permit any person to hold one or more such mining leases covering in any one State a total area in excess of that specified in clause (b) of section 6 or for a period exceeding that specified in sub-section (1) of section 8.

25 (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—

30 (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;

35 (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 only in respect of land in which the minerals vest in the Government of a State.

(2) Notwithstanding anything contained in this Act, the Central Government, after consultation with the State Government, may undertake prospecting or mining operations in 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,—

(a) specify the boundaries of such area;

(b) state whether 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 prospecting or mining operations in any area, the Central Government shall be liable to pay 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 prospecting or mining operations had been undertaken by a private person under a 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 prospecting licence or mining lease shall be granted in respect of any land specified in the notification.

**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 development of minerals in India, and for that purpose 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;

5 (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;

10 (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; and

15 (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.

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

MISCELLANEOUS

19. Any 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.

25 *Explanation.*—Where a person has acquired more than one prospecting licence or mining lease in any State and the aggregate area covered by such licences or leases, as the case may be, exceeds the maximum area permissible under section 6, only that prospecting licence or mining lease the acquisition of which has resulted in such  
30 maximum area being exceeded shall be deemed to be void.

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.

21. (1) Whoever contravenes the provisions of sub-section (1) of section 4 shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

Prospecting licences and mining leases to be void if in contravention of Act.  
Act and rules to apply to all renewals of prospecting licences and mining leases.

(1) Penalties.

(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 six months, or with fine which may extend to one thousand rupees, or with both, and in the case of a continuing contravention, with an additional fine which may extend 5 to one hundred rupees for every day during which such contravention continues after conviction for the first such contravention.

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 10 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, 15 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 any punishment, if he proves that the offence was committed without his knowledge or that he exercised 20 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 25 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; 30

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

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, 35 any person authorised by the Central Government in this behalf, by general or special 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 40 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.

10 (2) Every person authorised by the Central 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  
15 bound to comply with such order or summons, as the case may be.

25. 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 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.

Recovery of certain sums as arrears of land revenue.

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—

Delegation of powers.

(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;

30 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  
40 any officer or authority subordinate thereto.

Protection of action taken in good faith.

27. No suit, prosecution or other legal proceeding 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) All rules made and notifications issued by the Central Government under this Act shall be laid for not less than thirty days before each House of Parliament as soon as may be after they are made or issued and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

(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.

\* \* \* \*

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.

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 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.

Amendments to Act 53 of 1948.

32. The Mines and Minerals (Regulation and Development) Act, 1948, shall be amended in the manner specified in the Third Schedule.

15

53 of 1948

20

25

30

58 of 1948.

**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 or 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.

Validation of certain acts and indemnity.

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## THE FIRST SCHEDULE

[See sections 5 (2) (a), 7(2) and 8(2)]

## SPECIFIED MINERALS

1. Apatite and phosphatic ores.	
2. Beryl.	5
3. Chrome ore.	
4. Coal and lignite.	
5. Columbite, samarskite and other minerals of the "rare earths" group.	
6. Copper.	10
7. Gold.	
8. Gypsum.	
9. Iron ore.	
10. Lead.	
11. Manganese ore.	15
12. Molybdenum.	
13. Nickel ores.	
14. Platinum and other precious metals and their ores.	
15. Pitchblende and other uranium ores.	
16. Precious stones.	20
17. Rutile.	
18. Silver.	
19. Sulphur and its ores.	
20. Tin.	
21. Tungsten ores.	25
22. Uraniferous allanite, monazite and other thorium minerals.	
23. Uranium bearing tailings left over from ores after extraction of copper and gold, ilmenite and other titanium ores.	
24. Vanadium ores.	
25. Zinc.	30
26. Zircon.	

## THE SECOND SCHEDULE

(See section 9)

## RATES OF ROYALTY

5 1. Coal . . . . . Five per cent. of f.o.r. price subject to a minimum of fifty *naye paise* per ton.

2. Mica—

*Either*

(a) Crude mica . . . . . One rupee per maund.

10 (b) Trimmed mica, all qualities other than heavy stained, dense stained and spotted. Three rupees per maund.

(c) Trimmed mica other than that specified in item (b). One rupee and fifty *naye paise* per maund.

15 (d) Waste and scrap mica . . . . . Twelve *naye paise* per maund.

*Or*

Six-and-a-quarter per cent. of the sale price of mica at the pit's mouth, at the option of the lessor.

20 3. Gold, silver, platinum and other precious metals and their ores, copper, lead and zinc ores. Six-and-a-quarter per cent. of the sale price at the pit's mouth.

4. Iron—

25 (a) Used for extraction of iron within the country. Five per cent. of the sale price at the pit's mouth subject to a minimum of fifty *naye paise* per ton.

(b) Used for other purposes . . . . . Five per cent. of the sale price at the pit's mouth subject to a minimum of one rupee per ton.

30 5. Precious stones . . . . . Twenty per cent. of the sale price at pit's mouth.

*Explanation.*—For the purpose of this item, "price" means the price of "raw, uncut stone", that is to say, stone from which adhering rock, soil and mud have been removed by washing or any other simple means, but 35 which has not been subjected to any other process.

## 6. Manganese—

- (a) Manganese dioxide . Fifteen per cent. of the sale price at the pit's mouth subject to a minimum of three rupees per ton. 5

## Manganese ore—

- (i) High grade (Forty-five per cent. Mn. and over). Twelve-and-a-half per cent. of the sale price at the pit's mouth subject to a minimum of two rupees per ton. 10
- (ii) Low grade (below Forty-five per cent. Mn.). Ten per cent. of the sale price at the pit's mouth subject to a minimum of one rupee per ton.

## 7. Chromite—

- (a) Forty-five per cent.  $\text{Cr}_2\text{O}_3$  and above. Ten per cent. of the sale price at the pit's mouth subject to a minimum of two rupees and twenty-five *naye paise* per ton. 15
- (b) Less than Forty-five per cent.  $\text{Cr}_2\text{O}_3$ . Seven-and-a-half per cent. of the sale price at the pit's mouth subject to a minimum of one rupee and twelve *naye paise* per ton. 20

8. Limestone . . . . . Five per cent. of the sale price at the pit's mouth subject to a minimum of thirty-seven *naye paise* per ton. 25

9. Dolomite  $\ddagger$  . . . . . Five per cent. of the sale price at the pit's mouth subject to a minimum of twenty-five *naye paise* per ton. 30

10. Graphite . . . . . Ten per cent. of the sale price at the pit's mouth.

11. China Clay . . . . . Seven-and-a-half per cent. of the sale price at the pit's mouth. 35

12. Kyanite . . . . . Ten per cent. of the sale price at the pit's mouth subject to a minimum of five rupees per ton. 40

\* \* \* \* \*

13. Gypsum . . . . . Twelve-and-a-half per cent. of the sale price at the pit's mouth subject to a minimum of one rupee per ton. 45

14. All other minerals not herein-before specified. Five per cent. of the sale price at the pit's mouth.



## THE THIRD SCHEDULE

(See section 32).

AMENDMENTS TO THE MINES AND MINERALS (REGULATION  
AND DEVELOPMENT) ACT, 1948

- 5 1. In the long title, omit the words "mines and", and for the word "minerals", substitute "mineral oil resources".
2. In the preamble, omit the words "mines and" and the words "to the extent hereinafter specified", and for the word "minerals", substitute "mineral oil resources".
- 10 3. In section 1,—
- (i) in sub-section (1), for the words "Mines and Minerals", substitute "Oilfields"; and
- (ii) in sub-section (2), omit the words "except the State of Jammu and Kashmir".
- 15 4. Omit section 2.
5. In section 3, in clauses (c) and (d), for the word "minerals", substitute "mineral oils".
6. In section 5,—
- (i) in sub-section (1), for the word "mineral" substitute  
20 "mineral oil"; and
- (ii) in sub-section (2), in clause (d), for the word "minerals", substitute "mineral oils".
7. In section 6,—
- (i) in sub-section (1), for the word "minerals", substitute  
25 "mineral oils";
- (ii) in sub-section (2), omit clauses (a) and (b) and in clause (c), for the words "mineral resources", substitute "mineral oil resources"; and
- (iii) in clauses (h) and (i), for the word "minerals", substitute  
30 "mineral oils".

## APPENDIX I

(Vide para 2 of the Report)

### **Motion in the Lok Sabha for reference of the Bill to Joint Committee**

“That the Mines and Minerals (Regulation and Development) Bill, 1957, be referred to a Joint Committee of the Houses consisting of 30 members, 20 from this House, namely:—

1. Shri C. R. Pattabhi Raman
  2. Shri T. N. Viswanatha Reddy
  3. Shri Liladhar Kotoki
  4. Shri Ghanshyamlal Oza
  5. Shri P. C. Bose
  6. Shri Vidya Charan Shukla
  7. Shri H. C. Heda
  8. Shri K. G. Wodeyar
  9. Dr. N. C. Samantsinhar
  10. Shri Hem Raj
  11. Shri Jaswantraj Mehta
  12. Shri Keshava Deva Malaviya
  13. Shri Rup Narain
  14. Shri Arun Chandra Guha
  15. Shri Bibhuti Bhushan Das Gupta
  16. Shri T. B. Vittal Rao
  17. Shri Khushwaqt Rai
  18. Shri Ignace Beck
  19. Shri Shankarrao Khanderao Dige
  20. Sardar Swaran Singh
- and 10 members from Rajya Sabha;

that in order to constitute a sitting of the Joint Committee the quorum shall be one-third of the total number of members of the Joint Committee;

that the Committee shall make a report to this House by the 9th December, 1957;

that in other respects the Rules of Procedure of this House relating to the Parliamentary Committees will apply with such variations and modifications as the Speaker may make; and

that this House recommends to Rajya Sabha that Rajya Sabha do join the said Joint Committee and communicate to this House the names of members to be appointed by Rajya Sabha to the Joint Committee."

## APPENDIX II

(Vide para 3 of the Report)

### Motion in the Rajya Sabha

“That this House concurs in the recommendation of the Lok Sabha that the Rajya Sabha do join in the Joint Committee of the Houses on the Bill to provide for the regulation of mines and the development of minerals under the control of the Union, and resolves that the following members of the Rajya Sabha be nominated to serve on the said Joint Committee:—

1. Shri Amolakh Chand
2. Shri Akbar Ali Khan
3. Shri J. N. Kaushal
4. Shrimati Sharda Bhargava
5. Shri Ram Gopal Agarwal
6. Shri R. K. Malviya
7. Shri Maheswar Naik
8. Shri J. V. K. Vallabharao
9. Shri Kishen Chand
10. Shri T. Bhaskara Rao.”

APPENDIX III

MINUTES OF THE SITTINGS OF THE JOINT COMMITTEE  
ON THE MINES AND MINERALS (REGULATION AND  
DEVELOPMENT) BILL, 1957.

I

First Sitting

The Committee met from 17.05 to 17.45 hours on Monday, the  
25th November, 1957.

PRESENT

Shri C. R. Pattabhi Raman—*Chairman.*

MEMBERS

*Lok Sabha*

2. Shri Vidya Charan Shukla
3. Shri H. C. Heda
4. Dr. N. C. Samantsinhar
5. Shri Keshava Deva Malaviya
6. Shri Arun Chandra Guha
7. Shri Bibhuti Bhushan Das Gupta
8. Shri T. B. Vittal Rao
9. Shri Ignace Beck

*Rajya Sabha*

10. Shri Amolakh Chand
11. Shri Akbar Ali Khan
12. Shri Maheswar Naik
13. Shri Kishen Chand

DRAFTSMAN

Shri S. K. Hiranandani, *Additional Draftsman, Ministry of  
Law.*

**REPRESENTATIVES OF MINISTRIES AND OTHER OFFICERS**

Shri K. N. Kaul, *Joint Secretary, Ministry of Steel, Mines and Fuel.*

Shri K. N. Rajagopalan, *Under Secretary, Ministry of Steel, Mines and Fuel.*

**SECRETARIAT**

Shri A. L. Rai—*Under Secretary.*

2. The Committee decided that the following documents might be obtained from the Ministry of Steel, Mines and Fuel and circulated to the members:

- (i) Note containing the views received by the Ministry from the State Governments and other public bodies on the provisions of the Bill.
- (ii) Mines and Minerals (Regulation and Development) Act, 1948.
- (iii) Petroleum Concession Rules, 1949.
- (iv) Mineral Concession Rules, 1949.
- (v) Mineral Conservation and Development Rules, 1955.
- (vi) Mining Leases (Modification of Terms) Rules, 1956.
- (vii) Brief Notes on:—
  - (a) Government Scheme for private collaboration.
  - (b) Working of Mines.
  - (c) Mines and Minerals to be explored.
  - (d) Survey of Mineral wealth of India—State-wise.
  - (e) Law and practice regarding mining and leases in the U.K. and in the U.S.A.

3. The Committee considered the question of taking evidence of the interested parties and felt that a decision on it might be deferred till their next sitting by which time the members would have examined the documents mentioned in para 2 above.

4. The Committee then adjourned to meet again at 10.00 hours on Saturday, the 30th November, 1957, if the Lok Sabha did not sit on that day and at 14.00 hours if it did.

**II**  
**Second Sitting**

The Committee met from 10.15 to 13.15 hours on Saturday, the  
30th November, 1957.

PRESENT

Shri C. R. Pattabhi Raman—*Chairman.*

MEMBERS

*Lok Sabha*

2. Shri T. N. Viswanatha Reddy
3. Shri Ghanshyamlal Oza
4. Shri P. C. Bose
5. Shri H. C. Heda
6. Dr. N. C. Samantsinhar
7. Shri Hem Raj
8. Shri Jaswantraj Mehta
9. Shri Keshava Deva Malaviya
10. Shri Arun Chandra Guha
11. Shri Bibhuti Bhushan Das Gupta
12. Shri T. B. Vittal Rao
13. Shri Ignace Beck

*Rajya Sabha*

14. Shri Amolakh Chand
15. Shri Ram Gopal Agarwal
16. Shri R. K. Malviya
17. Shri Maheshwar Naik
18. Shri Kishen Chand

DRAFTSMAN

Shri S. K. Hiranandani, *Additional Draftsman, Ministry of  
Law.*

REPRESENTATIVES OF MINISTRIES AND OTHER OFFICERS

Shri K. N. Kaul, *Joint Secretary, Ministry of Steel, Mines and Fuel.*

Shri H. R. Diwan, *Director, Indian Bureau of Mines.*

Shri K. N. Rajagopalan, *Under Secretary, Ministry of Steel, Mines and Fuel.*

SECRETARIAT

Shri A. L. Rai—*Under Secretary.*

2. At the outset, the Minister of Mines and Oil gave a brief account of the mines and minerals in the country, their annual output and the proposed plans for further exploitation.

3. The Committee then had a general discussion on the provisions of the Bill during which some of the following suggestions were put forth by members:—

- (i) provision might be made in the Bill laying down the minimum area for carrying out mining operations;
- (ii) small mines which are uneconomical or inefficiently run might not be permitted to operate;
- (iii) provision might be made in the Bill to provide for the welfare of the labour employed in the mines;
- (iv) the minerals might be classified in different schedules according to their importance and minimum and maximum areas for their exploitation laid down;
- (v) in view of the importance of Mica, its mining might be carefully regulated so that the mineral is not allowed to go waste;
- (vi) minerals which are exported might be exploited fully so as to earn the maximum foreign currency required for our Second Five Year Plan;
- (vii) clause 28 of the Bill might be redrafted on the lines of Section 12 of the Mines and Minerals (Regulation and Development) Act, 1948;
- (viii) review of existing mining lease agreements by Central Government;
- (ix) mining on small scale or by individuals might be encouraged so that all kinds of mineral resources of the country are tapped;
- (x) a licencing Committee might be appointed to scrutinise applications for mining operations;



- (xi) Rules regarding entertainment of mining applications might be laid down;
- (xii) different kinds of rules might be made in respect of different categories of minerals;
- (xiii) Notifications issued under the Act might also be laid on the Table of Parliament;
- (xiv) In clause 11 a provision might be made for appeal to Central Government.

4. It was suggested that Government should prepare brief notes on the following for circulation to members:—

- (1) Reasons for including the minerals in the First Schedule.
- (2) Full information regarding the output, location etc. of minerals.

5. The Committee then adjourned to meet again at 9-30 hours on Tuesday, the 3rd December, 1957.

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### III

#### Third Sitting

The Committee met from 09.30 to 10.50 hours on Tuesday the 7th December, 1957.

#### PRESENT

Shri C. R. Pattabhi Raman—*Chairman*

#### MEMBERS

##### *Lok Sabha*

2. Shri T. N. Viswanatha Reddy
3. Shri Ghanshyamlal Oza
4. Shri P. C. Bose
5. Shri K. G. Wodeyar
6. Shri Hem Raj
7. Shri Jaswantraj Mehta
8. Shri Keshava Deva Malaviya
9. Shri Bibhuti Bhushan Das Gupta
10. Shri T. B. Vittal Rao
11. Shri Ignace Beck

##### *Rajya Sabha*

12. Shri Ram Gopal Agarwal
13. Shri Maheswar Naik
14. Shri Kishen Chand

#### DRAFTSMAN

Shri S. K. Hiranandani, *Additional Draftsman, Ministry of Law.*

#### REPRESENTATIVES OF MINISTRIES AND OTHER OFFICERS

Shri K. N. Kaul, *Joint Secretary, Ministry of Steel, Mines and Fuel.*

Shri H. R. Diwan, *Director, Indian Bureau of Mines.*

Shri K. N. Rajagopalan, *Under Secretary, Ministry of Steel, Mines and Fuel.*

## SECRETARIAT

Shri A. L. Rai—*Under Secretary.*

2. At the outset, it was explained by the Minister that the Government were contemplating an amendment to the Mineral Concession Rules, 1949 to the effect that a person paying Rs. 500/- would get the certificate of approval.

3. The Committee then resumed further general discussion on the provisions of the Bill during which some of the following suggestions were put forth by members:—

- (i) certificate of approval granted by one state may hold good in other states.
- (ii) the "raising contracts" entered into by State Governments might also be brought within the purview of the Bill, and if necessary the definition of "mining operations" in the Bill, might be suitably amended to include "raising" also.
- (iii) Mineral Rules might apply to mining operations undertaken by the State Governments.
- (iv) under clauses 7 and 8, a distinction is made between mica and other minerals. A doubt was raised whether such a discrimination was necessary.
- (v) Corporations having better financial backing should get a preferential treatment over those which did not have such a backing.

4. The Committee then adjourned to meet again at 09.30 hours on Wednesday, the 4th December, 1957.

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## IV

### Fourth Sitting

The Committee met from 09-40 to 10-45 hours on Wednesday, the 4th December, 1957.

#### PRESENT

Shri C. R. Pattabhi Raman—*Chairman*

#### MEMBERS

##### *Lok Sabha*

2. Shri T. N. Viswanatha Reddy
3. Shri Liladhar Kotoki
4. Shri Ghanshyamlal Oza
5. Shri P. C. Bose
6. Shri K. G. Wodeyar
7. Shri Hem Raj
8. Shri Jaswantraj Mehta
9. Shri Keshava Deva Malaviya
10. Shri Bibhuti Bhushan Das Gupta
11. Shri T. B. Vittal Rao
12. Shri Ignace Beck

##### *Rajya Sabha*

13. Shri Ram Gopal Agarwal
14. Shri J. V. K. Vallabharao.

#### DRAFTSMEN

Shri S. K. Hiranandani, *Additional Draftsman, Ministry of Law.*

Shri V. N. Bhatia, *Deputy Draftsman, Ministry of Law.*

#### REPRESENTATIVES OF MINISTRIES AND OTHER OFFICERS

Shri K. N. Kaul, *Joint Secretary, Ministry of Steel, Mines and Fuel.*

Shri H. R. Diwan, *Director, Indian Bureau of Mines.*

Shri K. N. Rajagopalan, *Under Secretary, Ministry of Steel, Mines and Fuel.*

## SECRETARIAT

Shri A. L. Rai—*Under Secretary.*

2. The Committee resumed further general discussion on the provisions of the Bill during which some of the following suggestions were put forth by members:—

- (1) Mica industry mainly depends on foreign export, and therefore, it should be given some special treatment. Mining area in respect of this mineral might be above 100 square miles;
- (ii) Area for prospecting licence may be increased whereas the area for mining lease may remain the same, in case of mica;
- (iii) It was explained by the Minister that it was difficult to single out mica for special treatment. However, whenever the Government would feel that it was expedient in the public interest it could extend special consideration in respect of this mineral;
- (iv) A doubt was raised as to how the present Bill would regulate the powers of the State Governments *vis-a-vis* the Union Government.

Some provision might be made for the small artisans who take out their living by extracting gold, iron etc., from river beds in the hills so that they might not be punished for contravention of this Act.

3. The Committee then took up clause by clause consideration of the Bill.

4. *Clauses 1 and 2.*—These clauses were adopted without any amendment.

5. *Clause 3.*—The following amendment was accepted:—

(i) Page 1, line 14,—

*Omit* “and minor minerals”.

(ii) Item (b) was adopted without any amendment.

(iii) Consideration of item (c) was taken up but not concluded.

6. The Committee then adjourned to meet again at 09-30 hours on Thursday, the 5th December, 1957.

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**V**

**Fifth Sitting**

The Committee met from 09.45 to 10.45 hours and again from 15.00 to 16.10 hours on Thursday, the 5th December, 1957.

**PRESENT**

Shri C. R. Pattabhi Raman—*Chairman*

**MEMBERS**

*Lok Sabha*

2. Shri Ghanshyamlal Oza
3. Shri P. C. Bose
4. Shri Vidya Charan Shukla
5. Shri K. G. Wodeyar
6. Shri Jaswantraj Mehta
7. Shri Keshava Deva Malaviya
8. Shri Arun Chandra Guha
9. Shri Bibhuti Bhushan Das Gupta
10. Shri T. B. Vittal Rao
11. Shri Ignace Beck

*Rajya Sabha*

12. Shri Amolakh Chand
13. Shri J. N. Kaushal
14. Shri Ram Gopal Agarwal
15. Shri Maheswar Naik
16. Shri J. V. K. Vallabharao.

**DRAFTSMEN**

Shri S. K. Hiranandani, *Additional Draftsman, Ministry of Law.*

Shri V. N. Bhatia, *Deputy Draftsman, Ministry of Law.*

**REPRESENTATIVES OF MINISTRIES AND OTHER OFFICERS**

Shri S. S. Khera, *Secretary, Department of Mining and Fuel.*

Shri K. N. Kaul, *Joint Secretary, Ministry of Steel, Mines and Fuel.*

Shri H. R. Diwan, *Director, Indian Bureau of Mines.*

Shri K. N. Rajagopalan, *Under Secretary, Ministry of Steel,  
Mines and Fuel.*

SECRETARIAT

Shri A. L. Rai—*Under Secretary.*

2. The Committee resumed clause by clause consideration of the Bill.

3. *Clause 3.*—The clause was adopted except for item (e) which was held over.

4. *Clause 4.*—The following amendment was accepted:—

Page 2,

After line 24, *add*—

“Provided that nothing in this sub-section shall affect any prospecting for mining operation undertaken in any area under a prospecting licence or mining lease granted before the commencement of this Act which is in force at such commencement.”

The clause as amended was adopted.

5. *Clause 5.*—The following amendment was accepted:—

Page 2,

for lines 28-31, *substitute*—

“5. (1) No prospecting licence or mining lease shall be granted to any person unless he—

(a) holds certificate of approval in prescribed form from the State Government;

(b) produces from the Income-tax Officer concerned an income-tax clearance certificate in the prescribed form; and

(c) satisfies such other conditions as may be prescribed.”

Discussion on the clause was not concluded.

6. The Committee decided to ask for extension of time for the presentation of their Report upto the 16th December, 1957 and the Chairman was authorised to move the necessary motion in the House.

7. The Committee then considered the request of an interested party for permission to tender evidence and decided that the party, in the first instance, might be asked to supply sufficient number of copies of their memorandum on the Bill, on receipt of which their request for tendering evidence would be considered.

8. The Committee then adjourned to meet again at 15.00 hours on Friday, the 6th December, 1957.

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## VI

### Sixth Sitting

The Committee met from 15.10 to 17.35 hours on Friday, the 6th December, 1957.

#### PRESENT

Shri C. R. Pattabhi Raman—*Chairman*

#### MEMBERS

##### *Lok Sabha*

2. Shri T. N. Viswanatha Reddy
3. Shri Liladhar Kotoki
4. Shri Ghanshyamlal Oza
5. Shri P. C. Bose
6. Shri Vidya Charan Shukla
7. Shri K. G. Wodeyar
8. Shri Jaswantraj Mehta
9. Shri Keshava Deva Malaviya
10. Shri Arun Chandra Guha
11. Shri Bibhuti Bhushan Das Gupta
12. Shri T. B. Vittal Rao
13. Shri Ignace Beck
14. Sardar Swaran Singh

##### *Rajya Sabha*

15. Shri Ram Gopal Agarwal
16. Shri Maheswar Naik
17. Shri J. V. K. Vallabharao.

#### DRAFTSMAN

Shri S. K. Hiranandani, *Additional Draftsman, Ministry of Law.*

#### REPRESENTATIVES OF MINISTRIES AND OTHER OFFICERS

Shri S. S. Khera, *Secretary, Department of Mining and Fuel.*

Shri H. R. Diwan, *Director, Indian Bureau of Mines.*

Shri K. N. Rajagopalan, *Under Secretary, Ministry of Steel, Mines and Fuel.*

## SECRETARIAT

Shri A. L. Rai—*Under Secretary.*

2. At the outset, the Committee decided that a press Communique be issued advising public bodies, associations and individuals who are desirous of presenting their suggestions or views before the Committee in respect of the Bill to send memoranda thereon to the Lok Sabha Secretariat before the 12th December, 1957.

3. The Committee then resumed clause by clause consideration of the Bill.

4. *Clause 5.*—The clause as amended *vide* para 5 of the Minutes of the Fifth Sitting, dated the 5th December, 1957, was adopted.

5. *Clause 6.*—The clause was adopted without any amendment after directing the Draftsman to examine the possibility of improving sub-clause (2) in the light of discussion held in the Committee.

6. *Clause 7.*—The following amendments were accepted:—

Page 3,

(a) lines 36-37,

*omit* "for manufacture of aluminium"

(b) after line 38, *add*—

"(3) Notwithstanding anything contained in this section, the Central Government may, if it is of opinion that in the interests of mineral development it is necessary so to do, authorise the granting of a prospecting licence or mining lease for a period in excess of the maximum period specified in this section."

The clause as amended was adopted.

7. *Clause 8.*—The following amendments were accepted:—

Page 4,

(a) for lines 8—10, *substitute*—

"ore or bauxite for one period not exceeding thirty years."

(b) lines 16-17,

*omit* "or the duration of the original lease, whichever is less."

Discussion on the clause was not concluded.

8. The Committee then adjourned to meet again at 10.00 hours on Saturday, the 7th December, 1957.

**VII**  
**Seventh Sitting**

The Committee met from 10.15 to 13.15 hours on Saturday, the  
7th December, 1957.

**PRESENT**

Shri C. R. Pattabhi Raman—*Chairman.*

**MEMBERS**

*Lok Sabha*

2. Shri Liladhar Kotoki
3. Shri Ghanshyamlal Oza
4. Shri Vidya Charan Shukla
5. Shri Jaswantraj Mehta
6. Shri Arun Chandra Guha
7. Shri Bibhuti Bhushan Das Gupta
8. Shri Ignace Beck
9. Sardar Swaran Singh

*Rajya Sabha*

10. Shri Amolakh Chand
11. Shri Ram Gopal Agarwal
12. Shri Maheswar Naik

**DRAFTSMEN**

Shri S. K. Hiranandani, *Additional Draftsman, Ministry of Law.*  
Shri V. N. Bhatia, *Deputy Draftsman, Ministry of Law.*

**REPRESENTATIVES OF MINISTRIES AND OTHER OFFICERS**

Shri S. S. Khera, *Secretary, Department of Mining and Fuel.*  
Shri K. N. Kaul, *Joint Secretary, Ministry of Steel, Mines and Fuel.*  
Shri H. R. Diwan, *Director, Indian Bureau of Mines.*  
Shri K. N. Rajagopalan, *Under Secretary, Ministry of Steel, Mines and Fuel.*

**SECRETARIAT**

Shri A. L. Rai—*Under Secretary.*

2. The Committee resumed clause by clause consideration of the Bill.

3. *Clause 8.*—Discussion on the clause was resumed. The following further amendments were accepted:—

Page 4,

(a) *omit* lines 11—13.

(b) *after* line 17, *add*,—

“(4) No prospecting licence or mining lease granted in respect of a mineral specified in the First Schedule shall be renewed except with the previous approval of the Central Government.”

The clause as amended was adopted.

The Draftsman was also directed to consider the question of formulating one sub-clause out of sub-clauses (2) and (3).

4. *Clause 9.*—The Committee felt that rates of royalty laid down in the Second Schedule should also apply to the minerals mined by holders of mining leases granted before the commencement of this Act, including those granted before 1949. The draftsman was directed to redraft sub-clause (1) accordingly.

The Committee further felt that the power of the Central Government to alter the rate of royalty under proviso (b) to sub-clause (2) should be exercised only once in four years. Accordingly, the following amendment was accepted:—

Page 4, line 30,

for “two” substitute “four”.

5. *Clause 10.*—The following amendment was accepted:—

Page 5,

for lines 8—10, *substitute*,—

“(2) Where any 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.”

The Committee felt that provision should be made in the rules for immediate acknowledgement of applications on their receipt and where the application is given in person, acknowledgement may be given forthwith to the person presenting it.

The clause as amended was adopted.

6. *Clause 11.*—The following amendment was accepted:—

Page 5, lines 30-31.

*omit* “and obtaining the previous approval of the Central Government.”

The clause as amended was adopted.

7. The Committee then adjourned to meet again at 11.00 hours, on Sunday, the 8th December, 1957.

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## VIII

### **Eighth Sitting**

The Committee met from 11.15 to 13.15 hours on Sunday, the 8th December, 1957.

#### **PRESENT**

Shri C. R. Pattabhi Raman—*Chairman*

#### **MEMBERS**

##### *Lok Sabha*

2. Shri Liladhar Kotoki
3. Shri Vidya Charan Shukla
4. Shri K. G. Wodeyar
5. Shri Jaswantraj Mehta
6. Shri Arun Chandra Guha
7. Shri Bibhuti Bhushan Das Gupta
8. Shri Ignace Beck
9. Shri Shankarrao Khanderao Dige
10. Sardar Swaran Singh

##### *Rajya Sabha*

11. Shri Amolakh Chand
12. Shri Ram Gopal Agarwal
13. Shri Maheswar Naik
14. Shri Kishen Chand

#### **DRAFTSMAN**

Shri S. K. Hiranandani, *Additional Draftsman, Ministry of Law.*

#### **REPRESENTATIVES OF MINISTRIES AND OTHER OFFICERS**

Shri K. N. Kaul, *Joint Secretary, Ministry of Steel, Mines and Fuel.*

Shri K. N. Rajagopalan, *Under Secretary, Ministry of Steel, Mines and Fuel.*

#### **SECRETARIAT**

Shri A. L. Rai—*Under Secretary.*

2. The Committee resumed clause by clause consideration of the Bill.

3. *Clause 12.*—The clause was adopted without any amendment.

4. *Clause 13.*—The following amendment was accepted:—

Page 8, line 1,—

omit “the authority by which and.”

The clause as amended was adopted.

5. *New Clause 13A.*—A new clause 13A, as follows was adopted:—

“13A. The provisions of sections 4 to 13 (inclusive) shall not apply to prospecting licences and mining leases in respect of minor minerals.”

6. *Clause 14.*—The clause was adopted without any amendment.

7. *Clause 15.*—The following amendment was accepted:—

Page 8,

for lines 27—30, substitute,—

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

The Committee agreed with the substance of the clause but felt that it required redrafting to make the intention clear.

The Committee further felt that a proviso should also be added to the clause to empower the Government in exceptional cases to permit the holder of a mining lease to hold the lease for an area in excess of that specified in clause 6, or for a period exceeding that specified in clause 7.

The draftsman was directed to submit a revised draft of the clause accordingly.

8. The Committee then adjourned to meet again at 15.00 hours on Monday, the 9th December, 1957.

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## IX

### Ninth Sitting

The Committee met from 15.05 to 16.45 hours on Monday, the 9th December, 1957.

#### PRESENT

Shri C. R. Pattabhi Raman—*Chairman*

#### MEMBERS

##### *Lok Sabha*

2. Shri T. N. Viswanatha Reddy
3. Shri Liladhar Kotoki
4. Shri Ghanshyamlal Oza
5. Shri Vidya Charan Shukla
6. Shri H. C. Heda
7. Shri K. G. Wodeyar
8. Dr. N. C. Samantsinhar
9. Shri Jaswantraj Mehta
10. Shri Keshava Deva Malaviya
11. Shri Arun Chandra Guha
12. Shri Ignace Beck
13. Shri Shankarrao Khanderao Dige

##### *Rajya Sabha*

14. Shri Amolakh Chand
15. Shri Akbar Ali Khan
16. Shri Ram Gopal Agarwal
17. Shri Kishen Chand
18. Shri T. Bhaskara Rao

#### DRAFTSMEN

Shri S. K. Hiranandani, *Additional Draftsman, Ministry of Law.*

Shri V. N. Bhatia, *Deputy Draftsman, Ministry of Law.*

#### REPRESENTATIVES OF MINISTRY AND OTHER OFFICERS

Shri S. S. Khera, *Secretary, Department of Mining and Fuel.*

Shri K. N. Kaul, *Joint Secretary, Ministry of Steel, Mines and Fuel.*



Shri H. R. Diwan, *Director, Indian Bureau of Mines.*

Shri K. N. Rajagopalan, *Under Secretary, Ministry of Steel, Mines and Fuel.*

SECRETARIAT

Shri A. L. Rai, *Under Secretary.*

2. At the outset, the Committee considered para 4 of the Minutes of the Seventh sitting of the Committee dated the 7th December, 1957 regarding clause 9. For the existing sub-para, the following was substituted:—

“The Committee further felt that the power of the Central Government to enhance the rate of royalty under proviso (b) to sub-clause (2) should be exercised only once in four years. Accordingly, the following amendments were accepted:

Page 4,

(i) line 29,

for “alter” substitute “enhance”

(ii) line 30,

for “two” substitute “four”

3. The Committee then resumed clause by clause consideration of the Bill.

4. *Clause 15.*—The following revised draft of the clause was adopted:—

15. (1) All mining leases granted before the 25th day of October, 1949, shall be brought into conformity with the provisions of this Act and the rules made under sections 13 and 17:

“Power to modify mining leases granted before 25th day of October, 1949.

Provided that if the Central Government is of opinion that in the interests of mineral development it is expedient so to do, the Central Government may, for reasons to be recorded permit any person to hold one or more such mining leases covering a total area in excess of that specified in clause (b) of section 6 or for a period exceeding that specified in sub-section (2) of section 7.

(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 the 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."

5. *Clause 16.*—The following amendments were accepted:—

(i) Page 8, line 38,

before "The Central Government" insert "Notwithstanding anything contained in this Act,".

(ii) Page 9,

for lines 5—17, substitute,—

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

The clause as amended was adopted.

6. *Clauses 17 to 26.*—These clauses were adopted without any amendment.

7. *Clause 27.*—The following amendment was accepted:—

Page 13, line 1,

after "All rules made" insert—"and Notifications issued"

The clause, as amended, was adopted.

8. *New clauses 27A and 27B.*—Two new clauses 27A and 27B, as follows, were adopted:—

Page 13,

after line 10, add—

"27A. All rules made or purport to be 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.

- '28. The Central Government may, if it is of opinion that it is expedient in the public interest so to do, by order in writing and for reasons to be recorded, authorise in any case the grant, renewal or transfer of any prospecting licence or mining lease or the working of any mine for the purpose of securing for, or winning any mineral on terms and conditions different from those laid down in the rules made under section 13." Power of revision of the Central Government.

9. *Clause 28.*—The following revised draft of the clause was adopted:—

- '28. The Central Government may, if it is of opinion that it is expedient in the public interest so to do, by order in writing and for reasons to be recorded, authorise in any case the grant, renewal or transfer of any prospecting licence or mining lease or the working of any mine for the purpose of securing for, or winning any mineral on terms and conditions different from those laid down in the rules made under section 13." Relaxation of rules in special cases.

10. *Clause 29.*—The clause was omitted being unnecessary.

11. *Clauses 30 and 31.*—These clauses were adopted without any amendment.

12. *The First, Second and Third Schedules.*—These Schedules were adopted without any amendment.

13. *Clause 3.*—(*vide* para 3 of the minutes of the Fifth sitting dated the 5th December, 1957)

The following amendment was accepted:—

Page 2, line 7,

after "ordinary sand" insert,—

"(other than sand used for prescribed purposes)."

The clause as amended was adopted.

14. The Committee then authorised the draftsman to carry out minor changes of a drafting nature in the Bill, if necessary.

15. The Committee then adjourned to meet again at 17.00 hours on Friday, the 13th December, 1957.

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## X

### Tenth Sitting

The Committee met from 17-00 to 18-15 hours on Friday, the 13th Decembèr, 1957.

#### PRESENT

Shri C. R. Pattabhi Raman—*Chairman.*

#### MEMBERS

##### *Lok Sabha*

2. Shri T. N. Vishwanatha Reddy
3. Shri Ghanshyamlal Oza
4. Shri Vidya Charan Shukla
5. Shri K. G. Wodeyar
6. Dr. N. C. Samantsinhar
7. Shri Jaswantraj Mehta
8. Shri Keshava Deva Malaviya
9. Shri Arun Chandra Guha
10. Shri Bibhuti Bhushan Das Gupta
11. Shri Khushwaqt Rai
12. Shri Ignace Beck
13. Shri Shankarrao Khanderao Dige

##### *Rajya Sabha*

14. Shri R. K. Malviya
15. Shri Maheswar Naik
16. Shri Kishen Chand

#### DRAFTSMEN

Shri G. R. Rajagopaul, *Additional Secretary and Chief Draftsman, Ministry of Law.*

Shri V. N. Bhatia, *Deputy Draftsman, Ministry of Law.*

## REPRESENTATIVES OF MINISTRIES AND OTHER OFFICERS

Shri K. N. Kaul, *Joint Secretary, Ministry of Steel, Mines and Fuel.*

Shri K. N. Rajagopalan, *Under Secretary, Ministry of Steel, Mines and Fuel.*

## SECRETARIAT

Shri A. L. Rai—*Under Secretary.*

2. The Committee took up consideration of the Bill as amended.

3. *Clauses 7 and 8.*—These clauses redrafted by the draftsman from the drafting point of view were adopted.

The Committee felt in respect of non-specified minerals the holder of a mining lease should at least be assured of one renewal of his lease and that this might be provided in the rules.

4. *Clause 13.*—(1) The following amendment was accepted.

In page 8, line 3,

after "Government" add—

"and the terms on which, and the condition subject to which, such a licence or lease may be granted or renewed."

(2) The following new item in sub-clause (2) was adopted:—

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

(3) The Committee felt that rules should provide for recognition of right of legal heirs of persons holding prospecting licences and mining leases.

5. *Clause 18 (original clause 17).*—The following new sub-clause was adopted:—

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

16. The Committee adopted the Bill as amended subject to the above changes.

7. The Committee then considered the draft Report and adopted the same.

8. The Committee authorised the Chairman to present the Report on their behalf.

9. The Committee authorised Shri Kishen Chand to lay the Report of the Committee on the Table of the Rajya Sabha.

10. The Committee decided that the Minutes of dissent, if any, should be sent to Lok Sabha Secretariat so as to reach them by 15-00 hours on Saturday, the 14th December, 1957.

11. The Committee then adjourned at 18-15 hours.

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