

That clauses 2 to 5 stand part of the Bill"

The motion was adopted.

Clauses 2 to 5 were added to the Bill.

Clause 1, Enacting Formula and Title were added to the Bill.

SHRI RAJESH PILOT : Sir, I beg to move :

"That the Bill be passed."

MR. CHAIRMAN : The question is :

"That the Bill be passed."

The motion was adopted.

15.46 hrs.

MINES AND MINERALS (REGULATION AND DEVELOPMENT) AMENDMENT BILL, 1986

[*English*]

THE MINISTER OF STEEL AND MINES (SHRI K.C. PANT) : Sir, I beg to move :

"That the Bill further to amend the Mines and Minerals (Regulation and Development) Act, 1957, as passed by Rajya Sabha be taken into consideration."

Minerals constitute vital raw materials for many basic industries like iron and steel, aluminium, fertilizers, cement, chemicals etc. The economic development of the country depends to a great extent on easy and ready availability of the minerals. As these are finite, exhaustible and non-renewable resources, their utilisation has to be done with utmost care so that maximum benefit can be derived from their use. Our country is fortunate in having large reserves of such important minerals like coal, iron ore, bauxite, manganese ore, limestone, dolomite, etc. We have significant reserves of copper, zinc, lead, barytes etc. The

exploitation of these minerals has to be speeded up to give support to the rapid economic development, which has been envisaged in the plans. At the same time, we have to ensure that in our desire for rapid development, we do not lose sight of the need for scientific mining, conservation, and preservation of the environment and ecology.

The legislative framework for the regulation of mines and the development of minerals is provided in the Mines and Minerals (Regulation and Development) Act, 1957. The Act was last amended in 1972. Since then the Act has come in for much closer scrutiny. The efficacy of the provisions for preventing unscientific and slaughter mining, and for preserving the environment have come to be tested. For quite sometime, the need for liberalisation of certain provisions of the Act has been felt with a view to making the process of grant of prospecting licence and mining leases easy and less cumbersome. Suggestions have been received from time to time in various forums like the Mineral Advisory Council for the amendment of the Act to bring it in tune with the changing socio-economic conditions of the country. The State Governments have also been making suggestions for the amendment of certain provisions of the Act. All these suggestions have been taken into consideration while formulating the proposed amendments. The State Governments have been consulted and their views have been given due consideration.

Mining, as Hon'ble Members are aware, generally leads to disturbance of land surface, deforestation and occasionally water pollution. The amending Bill makes provision for the protection of the environment by controlling or preventing any pollution caused by prospecting or mining operations. The licensee or the leasee would be required to rehabilitate the flora and other vegetation destroyed during prospecting or mining operations. To ensure this, premature termination of a prospecting licence or a mining lease would be possible in the interest of preservation of the environment, and for other reasons.

It has been observed that there is no mechanism in the Act to ensure that the leasee, after the grant of a mining lease,

commences mining operations within a reasonable time. Nor is there any provision to ensure that these are not discontinued for an unduly long period. A large number of mining leases are obtained for the purposes of cornering mineral bearing areas, and are, thus, kept idle; their number is increasing from year to year. The amending Bill, therefore, provides for lapsing of a lease if the mining operations are not commenced within a period of one year from the date of execution of the lease, or are discontinued for a period of one year. To reduce the hardship on account of unwilful lapse, a provision is being made for the restoration of a lease if an application is made within a period of six months from the date of lapse.

Under the Act, mining leases can be obtained without the necessary data about the mineral deposits, and mining is generally commenced without a proper mining plan. This leads to unsystematic exploitation of deposits often leading to 'slaughter mining'. Recognising the need for curbing this tendency it is proposed that the prospecting of the area and the submission of an approved mining plan shall be necessary preconditions for the grant of a mining lease.

The question of continuance of certificate of approval as a prerequisite for the grant of a prospecting licence or a mining lease has been considered to be an unnecessary hindrance. The Committee on Control and Subsidies had made a similar recommendation. It has, therefore, been decided to dispense with it. Similarly, it has been decided to dispense with the requirement of income tax clearance certificate. The purpose of an income-tax clearance can be adequately met by requiring the filing of an affidavit regarding submission of income tax returns and payment of tax.

The maximum upper limit of areas for the grant of one or more prospecting licences or mining leases in any one State in respect of any one mineral is 25 square kilometres or 10 square kilometres respectively. These ceilings are considered to be on the high side and give rise to monopolistic tendencies. A reduction in the area to be held by a person under prospecting licence or mining lease would help new entrepreneurs to come

up. It is, therefore, proposed to provide that the maximum limit of 25 square kilometres and 10 square kilometres now fixed for obtaining a prospecting licence or a mining lease for any one mineral in any one State will now be applicable to the whole of India. This limit will not apply to existing prospecting licences or mining leases. The Central Government will, however, continue to have the powers to permit any person to acquire one or more prospecting licences or mining leases covering an area in excess of the prescribed total area in the interest of mineral development.

The First Schedule to the Act contains a list of 26 minerals. Prospecting licence or mining lease for a mineral included in this Schedule is granted only after prior approval of the Central Government. This list is being enlarged so as to include a number of other minerals, which have assumed national importance. They are needed for the manufacture of refractories, chemicals or used as raw materials for the manufacture of steel etc. These are : bauxite, barytes, dolomite, kyanite, manganese, silliminite, etc. Limestone is also being included in the First Schedule as it is an important raw material for cement, chemicals and steel industries. However, limestone used in the kilns for the manufacture of lime as building material has not been included in the Schedule as it would cause undue hardship to a large number of users. In recent years, the harmful effects of asbestos on the health of workers in mining have come to notice, and it has, therefore, become necessary to keep a watch on, and to discourage the expansion of mining of this mineral. It is, therefore, proposed to include it in the First Schedule.

At present, royalty on any mineral cannot be enhanced more than once during any period of four years. Many State Governments have urged that the period of revision should be reduced. Accordingly, it is proposed to reduce this period to three years for royalty as well as dead rent.

Many State Governments have expressed the view that the punishment prescribed for illegal mining is far too inadequate. They have suggested that the offence be made cognizable, and the punishment be made more deterrent. As cases of illegal mining are on the increase, it is proposed that the

[Shri K.C. Pant]

offence of illegal mining be made cognizable, and the punishment be made more deterrent by making suitable amendments to Section 21 of the Act.

The Bill provides for some other amendments like the rationalization in the period of mining lease, reservation of an area for conservation of any minerals, and the provision for payment of compensation for the acquisition of surface rights to the occupier of the land. These are some of the salient features of the amending Bill. With these words, I move that the Bill further to amend the Mines and Minerals (Regulation and Development) Act, 1957 be taken into consideration.

MR. CHAIRMAN : Motion moved :

"That the Bill further to amend the Mines and Minerals (Regulation and Development) Act, 1957, as passed by Rajya Sabha be taken into consideration."

SHRI E. AYYAPU REDDY (Kurnool) : Mr. Chairman, Sir, I am very much disappointed that the Bill is not a comprehensive one. There are a number of important controversies which must have come to the notice of the Central Government in implementation of the Mines and Minerals (Regulation and Development) Act.

MR. CHAIRMAN : Hon. Member may please continue tomorrow.

15.58. hrs.

STATEMENT RE : EXPLOSION AT
HANSALAYA BUILDING, BARA-
KHAMBA ROAD, NEW DELHI
ON 6-8-1986

[English]

THE MINISTER OF STATE IN THE
MINISTRY OF PERSONNEL, PUBLIC
GRIEVANCES AND PENSIONS AND

MINISTER OF STATE IN THE
MINISTRY OF HOME AFFAIRS (SHRI
P. CHIDAMBARAM) : Sir, I wish to
inform the Hon'ble House that on 6.8.1986
at 8 07 P.M. an explosion was heard in
Hansalaya Building on Barakhamba Road
side. The Police Control Room van and
the Connaught Place Police Station officials
reached the spot within 2-3 minutes. A
case FIR No. 621 dated 6.8.86 u/s 3/4
Explosives Act read with 427 IPC. Police
Station Connaught Place has been
registered.

2. On examination of the site, it was
found that the explosion had occurred under
the staircase leading from the ground floor
to the first floor. The blast was strong and
a number of glasspanes around this area
were shattered. It also bore a hole in the
ceiling of the basement at the place where
the explosive device was kept.

3. On one side of the staircase, where
the blast took place, is Kuwait Airways
Office and on the other side Saudi Arabian
Airways. On the first floor, both sides are
occupied by the Bank of America. No loss
of life or injury to any person has been
caused.

4. The Explosive experts and the
Central Forensic Science Laboratory experts
were summoned and they reached the spot
around 9.00 P.M.

5. The preliminary investigation so far
shows that some sophisticated high powered
explosives have been used in the blast. The
motive of the miscreant(s) is not yet clear.
The investigation of the case has been
handed over to the Crime Branch of the
Delhi Police and they are taking assistance
from other agencies of the Central Govern-
ment also.

6. Senior officers including the
Commissioner of Police who also reached
the spot within minutes of the incident, are
personally supervising the investigation of
this case.