

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

ACT 67 OF 1957¹

[28TH December, 1957.]

An Act 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. Short title, extent and commencement - (1) This Act may be called the Mines and Minerals (Regulation and Development) Act, 1957.

(2). It extends to the whole of India.

(3). It shall come into force on such date² as the Central Government may by notification in the Official Gazette appoint.

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

3. Definitions - 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 operation and includes a sub-lease granted for such purpose ;

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

¹The Act has been extended to Goa, Daman and Diu by Regulation 12 of 1962 section 3 and schedule to Dadra and Nagar Haveli by Regulation 6 of 1963, section 2 and Schedule I and to Pondichery by Regulation 7 of section 3 and Schedule I.

²1st June 1958 vide Notification No. G. S. R. 432 dated the 29th May 1958, see Gazette of India 1953 Extraordinary, Part II, section 3(I), page 225.

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

(f) “prescribed” means prescribed by rules made under this Act;

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

- (h) “prospecting operations” means any operations undertaken for the purpose of exploring locating or proving mineral deposits ;and
- (i) the expressions “mine” and ‘owner”, have the meanings assigned to them in the Mines Act, 1952.

GENERAL RESTRICTIONS ON UNDERTAKING

PROSPECTING AND MINING

OPERATIONS

4. Prospecting or mining operations to be under licence or lease

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

Provided that nothing in this Sub-section shall affect any prospecting or mining operations undertaken in any area in accordance with the terms and conditions of a prospecting license or mining lease granted before the commencement of this Act which is in force at such commencement.

(2) No prospecting license or mining lease or mining lease shall be granted otherwise than in accordance with the provisions of this Act and the rules made thereunder.

¹[4A. Termination of mining leases

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

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

5. Restrictions on the grant of prospecting or licences or mining leases

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

- (a) holds a certificate of approval in the prescribed form from the State Government;
- (b) produces from the Income-tax Officer concerned an income-tax clearance certificate in the prescribed form;
- (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 the time his certificate of approval has expired if an application for its renewal is pending at that time.

¹Section 4-A inserted by Act 56 of 1972, section 2.

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

- (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 Indian 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;
- (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
- (d) in the case of an individual only if he is a citizen of India.

6. Maximum area for which a prospecting licence of mining may be granted ⁻¹[(1) No person shall acquire in any one State in respect of any mineral or prescribed group of associated minerals-

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

¹Substituted by Act 56 of 1972, section 3

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

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

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

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

(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.

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

¹*Sub –section (3) inserted by Act 56 of 1972 section 3.*

7. *****

8. **Periods for which prospecting licences may be granted or renewed**

(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.

(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 renewals 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. **Royalties in respect of mining leases**

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

(2) The holder of a mining lease granted on or after the commencement of this Act shall pay royalty in respect of any ¹[mineral removed or consumed by him or by his agent manager employee contractor or sub-lessee] from the leased area at the rate for the time being specified in the Second Schedule in respect of that mineral.

²[(2A) The holder of a mining lease whether granted before or after the commencement of the Mines and Mineral (Regulation and Development) Amendment Act, 1972, shall not be liable to pay any royalty

in respect of any coal consumed by a workman engaged in a colliery provided that such consumption by the workman does not exceed one-third of a tone per month].

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

¹*Substituted for the words "mineral removed by him" by Act 56 of 1972 section 4.*

²*Sub-section 2-AS inserted by ibid.*

¹[Provided that the Central Government shall not enhance the rate of royalty in respect of any mineral more than once during any period of four years.]

²**[9A. Dead-rent to be paid by the lessee-**

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

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

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

Provided that the Central Government shall not enhanced the rate of the dead rent in respect of any such area 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 GOVERNMENT

10. Application for prospecting licences or mining lease –

(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 the prescribed fee.

¹*Proviso*

substituted by Act 56 of 1972.

²*Section 9-A inserted by ibid.*

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

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

11. Preferential right of certain persons

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

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 :

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.

(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;
- (b) the financial resources of the applicant;
- (c) the nature and quality of the technical staff 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 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.

12. Registers of prospecting licences and mining leases

(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
- (d) a register of mining lessees;

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

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

RULES FOR REGULATING THE GRANT OF PROSPECTING LICENCES AND MINING LEASES

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

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

- (a) the person by whom and the manner in which applications for prospecting licences or mining leases in respect of land in which the minerals vest in the Government may be made and the fee to be paid therefor ;

- (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;
- (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;
- (g) the terms on which and the conditions subject to which any other prospecting licence or mining lease may be granted or renewed;
- (h) the facilities to be afforded by holders of mining leases to persons deputed by the Government for the purpose of undertaking research or training in matters relating to mining operations;
- (i) the fixing and collection of dead rent fines fees or other charges and the collection of royalties in respect of-
 - (i) prospecting licence.
 - (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 reason of any prospecting or mining operations ;
- (k) the grouping of associate 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;
- (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;
- (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 which such reports and statements shall be submitted;
- (q) the period within which applications for revisions of any order passed by a Stated 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 disposed of; and
- (r) any other matter which is to be or may be prescribed under this Act.

¹[13A. Power of Central Government to make rules for the grant of prospecting licenses or mining leases in respect of territorial waters or continental shelf of India

- (1) The Central Government may by notification in the Official Gazette make rules for the grant of prospecting licenses or mining leases in respect of any minerals underlying the ocean within the territorial water or the continental shelf of India.
- (2) Without prejudice to the generality of the foregoing power such rules may provide for all or any of the following matters namely-
 - (a) the conditions limitations and restrictions subject to which such prospecting licenses or mining leases may be granted;

- (b) regulation of exploration and exploitation of minerals within the territorial waters of the continental shelf of India;
- (c) ensuring that such exploration or exploitation does not interfere with navigation ; and
- (d) any other matter which is required to be or may be prescribed.]

14. Sections 4 to 13 not to apply to minor minerals - The provisions of sections 4 to 13 (inclusive) shall not apply to ²[quarry lease mining leases or other mineral concessions] in respect of minor minerals.

15. Power of State Governments to make rules in respect of minor minerals-

(1) The State Government may by notification in the Official Gazette make rules for regulating the grant of ³[quarry leases mining leases or other mineral on cessions] in respect of minor minerals and for purposes connected therewith.

¹Section 13-A inserted

by Act 56 of 172 section 5.

²Substituted for the words "prospecting licenses and Measuring leases" by *ibid* section 7.

³Substituted for the words "prospecting licenses and mining leases" by *ibid* section 8.

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

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

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

16. Power to modify mining leases granted before 25th October, 1949³ [(1)

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

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

¹Substitu

ted for the word "Prospecting licenses and mining lease" by Act 56 of 1972 section 8.

²Sub-section (3) inserted and shall be deemed always to have been inserted by *ibid* section 3

³Sub-section (1) substituted by *ibid* section 9.

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

- (a) for giving previous notice of the modification or alteration proposed to be made in any existing mining lease to the lessee and where the lessor 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;
- (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**

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

(1) The provisions of this section shall apply ¹[* *] in respect of land in which the minerals vest in the Government of a State ²[or any other person].

(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.

¹The word "only omitted by Act 56 of 1972 section 10.

²the words "or any other person" inserted by *ibid*.

(3) Where in exercise of the powers conferred by sub-section (2) the Central Government undertakes prospecting or mining operation 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

18. Mineral Development –

(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 the new mines and the regulation of mining operations in any area;
- (b) the regulation of the excavation or collection of minerals from any mine;

- (c) the measures to be taken by owners of mines for the purpose of beneficiation of ores including the provision of suitable contrivances for such purpose;
- (d) the development of mineral resources in any area;
- (e) the notification of all new borings an shaft sinkings and the preservation of bore-hole records an specimens of all new bore-holes;
- (f) the regulation of the arrangements for the storage of minerals and the sticks thereof that may be kept by any person;
- (g) the submission of samples of minerals from any mine by the owner thereof and the manner in which and the authority to which such samples shall be submitted; and the taking of any mineral from any mine by the State Government or any other authority specified by it in that behalf ; and
- (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 Government.