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Punjab Minor Mineral Concession Rules, 1964

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THE PUNJAB MINOR MINERAL CONCESSION RULES, 1964]

CHAPTER I

Preliminary

1. **Short title.-** These rules may be called the Punjab Minor Mineral Concession Rules, 1964.

2. **Definitions.-** In these rules unless the context otherwise requires-

(a)'Act' means the Mines and Minerals (Regulations and Development) Act, 1957.

(b)'Minor Mineral' 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 Official Gazette, declare to be a minor mineral under clause (e) of section 3 of the Act.

(c)'Building stone' includes sand-stone, quartzite schists limestone bajri marble dolomite slate and shale when used as building material.

(d)'Department' means the Industries Department of the Punjab Government.

(e)'Director' means the Director of Industries, Punjab.

(f)'Government' means the Government of the State of Punjab.

(g)'Mining Lease' means a lease to mine, quarry, bore, dig, and search for win work and carry away any minor mineral specified therein.

(h)'presiding Officer' means the Director or any other Officer nominated or authorised by him for holding auction/calling tenders for contracts.

(i)'Short term permit' means a permit granted by the Director to extract a certain quantity of mineral for the period specified in the permit.

¹Published with Punjab Govt. Industries Department, Notification No. GSR 123/C. A.67/57/s. 15/ 64, dated the 25th April, 1964.

(j)'Contract' means a contract given on behalf of the Government to carry, win, work and carry away any mineral specified therein through open auction or by inviting tenders for certain specified areas, notified by the Director.

(k)'Contractor' means a person or a party holding a contract under these rules.

(l)'Schedule' means a Schedule appended to these rules.

(m)'Form' means a form appended to these rules.

(n)'Mining Officer' means an officer appointed by the Government to ensure enforcement of minerals rules and regulations at district level holding charge of one or more districts.

1.**Exemption.-** Notwithstanding anything contained in these rules no rent, royalty or permit fee shall be charged for –

(i) Extraction of ordinary clay of ordinary sand by hereditary kumhars who prepare earthen pots on a cottage industry basis, whose turnover during a year does not exceed five thousand rupees.

(ii) excavation of masonry stones and ordinary clay from areas which are not occupied by lessee or contractor, for *bona fide* personal requirements of the inhabitants of the area :

Provided that excavation of limestone or kankar from the areas which are not occupied by a contractor or lessee may be made by the members of Scheduled Castes, Scheduled Tribes and Backward Classes whose monthly income does not exceed Rs. 150 per month and also the persons who want to build Dharamsala, Piao, or other building for charitable or philanthropic purposes under a permit valid for two months issued by the Director or any person authorised by him in this behalf on payment of five rupees.

4. **Supply of Minerals to Consumers.-** The contractor shall supply to consumers or allow them to excavate building stone, limestone, kankar, and bajri at the rates specified in the in the third schedule of these rules for their bona fide personal use or for the construction of buildings meant for charitable or philanthropic purposes.

Note.- For purposes of sub-rule (ii) of rule 3 and 4, the mining officer concerned shall be the authority to decide whether a consumer is excavating the minor minerals for his personal bona fide use or not.

CHAPTER II

GRANT OF MINING LEASES/CONTRACTS/SHORT TERM PERMITS IN RESPECT OF LAND IN WHICH THE MINERALS VEST IN THE GOVERNMENT

A.- Grant of Mining Leases.

5. Restriction on grant of mining lease.- (1) No mining lease shall be granted in respect of land within a distance of 60 meters from any village or national highway.

(2) No mining lease shall be granted in respect of any such minor mineral as the Government may notify in this behalf. Such notification may be for the whole of Punjab or any part thereof.

(3) No mining lease shall be granted to a person who does not hold a certification of approval from the Director.

6. Certificate of approval.- (1) any person who is an Indian national shall on payment of a fee of Rs. 50 be entitled to obtain a certificate of approval from the Director. The application for certificate of approval shall be submitted to the Director in form 'A'. An affidavit shall be obtained from the applicant of his being an Indian national.

(2) The Director may, with the previous approval of the Government, grant a certificate of approval to any person who is not an Indian National, on payment of fee, specified in sub-rule (1) .

(3) A certificate of approval shall be in form 'B' and shall be valid upto 31st day of December of the year 1[in which it is granted] :

Provided that a certificate granted in the last quarter of a year shall be valid until the 31st day of December of year next following.

(4) A certificate of approval shall be renewed by the Director if a renewal fee of Rs. 25 is paid and an application for its renewal is submitted before the date of expiry of the certificate.

(5) Where a certificate of approval is not granted or renewed to any person, the fee paid by the applicant shall be refunded to him.

Explanation.- For purposes of sub-rule (1) 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 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 ;

¹Substituted for "next following" by GSR 239, dated 27th September, 1965.

(b) in the case of 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 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;

and if any question arises as to whether a person is an Indian national or not, it shall be referred to the Central Government whose decision shall be final.

7. Application for mining lease.- An application for a mining lease shall be made to the State Government through the Director or any other officer, authorised by Government in this behalf, in form 'C' and shall contain the following particulars-

(a)(i) if the applicant is an individual, his name, nationality, profession and residence, and

(ii) if the applicant is a partnership firm, a company or an association or body of individuals, whether incorporated or not, its name, nature and place of business and place of registration or incorporation.

(b) name of the minor mineral or minor minerals for which the applicant intends to obtain the lease.

(c) A description illustrated by a map or plan showing as accurately as possible the situation boundaries and area of the land in respect of which the lease is required and where the area is unsurveyed the location of the area should be shown by some permanent physical feature, roads, tanks, etc., the period for which the lease is required and the purpose for which the extracted minor minerals are to be used.

8. Application fee.- Every application for the mining lease shall be accompanied by –

(a) a fee of Rs. 50 ;

(ii) an income-tax clearance certificate from the Income-tax Officer concerned.

¹[(iii) A certificate of approval in Form 'B'].

9. Acknowledgement of application.- (1) Where an application for grant or renewal of a mining lease is delivered personally, its receipt shall be acknowledged forthwith.

(2) When such application is received by registered post its receipt shall be acknowledged within three days of the receipt.

(3) The receipt of every such application shall be acknowledged in form 'D'.

¹9A. Disposal of application for mining lease.- (1) An application for the grant of a mining lease shall be disposed of within a period of nine months from the date of its receipt and if it is not disposed of within that period it shall be deemed to have been refused.

(2) An application for the renewal of a mining lease shall be disposed of within a period of three months from the date of its receipt and if it is not disposed of within that period it shall be deemed to have been refused.

9B. Refund of application fee.- Where an application for the grant or renewal of a mining lease is refused or deemed to have been refused under these rules the application fee paid by the applicant shall be refunded to the applicant.]

10. Priority.- (1) Priority in granting mining lease shall be given to the following :-

(a) First priority shall be given to the discoverer of the new mineral,

(ii) Second priority shall be given to a person who intends to set up a mineral-based industry in the State, and

(iii) third priority shall be given to a co-operative society :

Provided that where two or more persons of the same category have applied for a mining lease in respect of the same land, the applicant whose application is received earlier shall have a preferential right for the grant of the lease over an applicant whose application is received later :

Provided further that where such applications are received on the same day the Government after taking into consideration the matters specified in sub-rule (2) may grant mining lease to such one of the applicants as it may deem fit.

(2) The matters referred to in the second proviso to sub-rule (1) shall be the following namely-

(a) experience of the applicant in mining,

¹Clause (iii) added by GSR 239, dated 27th September, 1965.

²Rules 9-A and 9-B inserted by ibid.

(b) financial soundness stability and special knowledge of geology and mining of the applicant, and

(c) special knowledge of geology and mining of the technical staff already employed or to be employed for the work .

(3) The Government may for special reasons to be recorded in writing grant a mining lease to an applicant whose application is received later in preference to an applicant whose application is received earlier.

¹[(4) The State Government may for reasons to be recorded in writing and communicated to the applicant refuse to grant or renew a mining lease over the whole or the part of the area applied for.]

11. Register of mining leases.- A register for mining leases shall be maintained in the office of the Mining Officer concerned in form 'E'.

12. Inspection of register.- The register of applications of mining leases shall be open to inspection by any person on payment of the following fee :-

(i) Rs. 2 for the first hour or part thereof.

(ii) Rs. 1 per hour or part thereof for subsequent hours.

13. Area of Mining lease - (1) A mining lease may be granted for such area as the Government may deem fit ;

(2) No lessee by himself or with any person joint in interest with him shall ordinarily hold in aggregate more than 5 square kilometers of area under lease in respect of one minor mineral within the State of Punjab :

Provided that at the time of the renewal of the lease the lessee shall be entitled to surrender any part of the area.

14. Length and breadth of the area leased.- ²[(1)] The length of an area held under a mining lease shall be rectangular as far as possible and shall not exceed four times its breadth :

Provided that the Government may in any particular case relax the provisions of this rule.

¹Sub-rule(4) added by G. S. R. 32, dated 22nd February, 1966.

¹[(2) An application for a mining lease shall relate to one compact area only.]

15. Boundaries below the surface.- Boundaries of the area covered by a mining lease shall run vertically down-wards below the surface towards the centre of the earth.

16. Security deposit.- The applicant shall before the lease is granted deposit as security a sum of Rs. 200 for due observance of the terms and conditions of the lease.

²[**16.A. Refund of security.-** On such date as the Government may elect within twelve calendar months after the determination of mining lease or any renewal thereof the amount of the security deposit paid in respect of the mining lease and then remaining in deposit with the Government and not required to be applied to any purposes mentioned in the mining lease shall be refunded to the lessee (s). No interest shall run on the security deposit.]

17. Transfer of mining lease - The lessee may with the previous sanction of the Government assign sublet or transfer his lease or any right title or interest therein to any person holding a valid certificate of approval on payment of a fee of Rs. 100 to the Government.

18. Period of lease.- (1) The period for which a mining lease may be granted shall be five years in the first instance unless the Government allow a longer period not exceeding ten years. The mining lease may be renewed for one or two period not exceeding the period for which the mining lease was originally granted.

(2)The application for renewal of the mining lease shall be made in Form 'C' before six months of the expiry of the lease and upon payment of a fee of Rs. 10. This renewal will be subject to the condition Government being satisfied that the substantial investments in machinery equipments have been made by him.

(3)When a renewal is granted dead rent royalty and surface rent shall be charged at the rates in force at the time of renewal.

19. Lease to be executed within 3 months.- Where a mining lease is sanctioned, the lease deed in Form 'F' shall be executed within three months of the order sanctioning the lease and if the lease is not executed within the aforesaid period the order sanctioning the lease shall be deemed to have been revoked and the application fee shall be forfeited to the Government :

Provided that where the Government is satisfied that the applicant for the lease is not responsible for the delay in the execution of the lease deed the Government may permit the execution of the lease deed after the expiry of the aforesaid period of three months.

20. Royalties in respect of mining leases.- (1) The holder of a mining lease granted before the commencement of these rules shall notwithstanding anything contained in the instrument of lease or any law in force at such commencement pay royalty in respect of any mineral removed by him from the leased area after such commencement at the rates for the time being specified in the First Schedule in respect of that minor mineral.

(2) The Government may by notification in the official Gazette amend the First and Third Schedules so as to enhance or reduce the rate at which the royalty shall be payable in respect of any minor mineral with effect from such date as may be specified in the notification either in respect of the whole State or any specified area :

[* * * * *]¹

21. (1) Conditions of mining lease.- Every mining lease shall be subject to the following conditions :-

(i) (a) The lessee shall pay royalty on minor minerals despatched from the leased area at the rates specified in the First Schedule :

Provided that the lessee shall pay royalty at such revised rates as may be notified from time to time.

(b) For calculating the royalty the lessee shall submit half-yearly returns for periods ending 30th September and 31st March in Form 'G'.

(ii) The lessee shall pay for the surface area occupied by him at such rates not exceeding land revenue water charges and cesses assessable on the land as may be fixed by the Government and specified in the lease deed.

¹Proviso omitted by GSR 30, dated 22nd March, 1968.

(iii) The lessee shall also pay for every year such yearly dead rent within the limits specified in second Schedule as may be fixed by the Government and if the lease permits the working of more than one minor mineral in the same area the Government may charge separate dead rent in respect of each minor mineral :

Provided that the mining of the minor mineral does not involve the mining of another minor mineral :

Provided further that the lessee shall be liable to pay the dead rent or royalty in respect of each minor mineral whichever is higher in amount but not both.

(iv)¹[if any minor mineral] not specified in the lease is discovered in the leased area the lessee shall report the discovery without delay to the Government and shall not win or dispose of such minor mineral without obtaining a lease within six months from the discovery of the minor mineral the Government may give the lease in respect of such mineral to any other person.

(v) Unless the Government for sufficient reasons permits otherwise the lessee shall commence mining operations within six months from the date of ²[execution of] the lease and shall thereafter conduct such operations in a proper skillful and workman-like manner.

Explanation.-For the purpose of this clause 'mining operation' shall include the erection of machinery laying of a tramway or construction of a road in connection with the working of the mine.

(vi) The lessee shall at his own expense erect and at all times maintain and keep in good repairs boundary marks and pillars according to the plan annexed to the lease.

(vii) The lessee shall not carry on or allow to be carried on any mining operations at any point within a distance of 75 meters from any railway line, except under and in accordance with the written permission of the railway administration concerned or bridges or 60 meters from national highway or 50 meters from any reservoir tank canal roads or other public works or buildings or inhabited sites except under and in accordance with the previous permission of the Government. The Railway Administration or the Government may, in granting such permission impose such conditions as it may deem fit :

¹Substituted by G. S. R. 239, dated 27th September, 1965.

²Substituted for "execution" by *ibid*.

Provided that except in cases of ordinary sand no mining operations shall be carried on within 50 meters of any river banks.

1[Provided further that in case of mining lease of saltpetre, the lessee may carry on or allow to be carried on the extraction of saltpetre at any point beyond a distance of 10 meters from any railway line, national highway reservoir tank canal road or other public works or buildings etc.]

(viii) The lessee shall keep correct accounts showing the quantity and other particulars of all minerals obtained from the mines and the number of persons employed therein and a complete plan of the mine and shall allow any officer authorised by the Central and State Government in that behalf to examine at any time any

accounts and records maintained by him and shall furnish, the Central and State Government with such information and returns as it may require.

(ix)The lessee shall allow existing and future licencees or lease-holders or contractors of any land which is comprised in or adjoins or is reachedby the land held by the lessee reasonable facilities for access thereto.

(x)The lessee shall allow any officer authorised by the Government or the Central Government to enter upon any building excavation or land comprised in the lease for the purpose of inspecting the mines.

(xi)The lessee shall-

(a)Submit by the 10th of every month to the Director and also to other officer (s) specified in the lease deed a return in Form 'H' giving the total quantity of minor mineral(s) raised and despatched from the leased area in the preceding calendar month and its value :

(b)Also furnish by the 15th April, every year to the Director and the other officer specified in the lease deed a statement giving information in Form 'I' regarding quantity and value of minor mineral(s) obtained during the last financial year average number of regular labourers employed (men and women separately), number of accidents, compensation paid and number of days worked separately.