

17. PUNJAB & CHANDIGARH

17.1 TITLE

Punjab Minor Mineral Concession Rules, 1964.

17.2 ADMINISTERING AUTHORITY

The granting authority for the 'mining lease' or the 'contract' is the State Government. The Director of Industries has been entrusted with several important functions and powers under these rules. Appeals against the orders of the Director of Industries lie with the State Government. The State Government may, by notification in the Official Gazette, direct that any powers exercisable by the Director of Industries may also be exercised, in such cases and subject to such conditions, if any, as may be specified in the notification, by an officer of the Directorate of Industries, as may be specified therein. Where the functions of the Director of Industries have been delegated to any other officer subordinate to him, any person aggrieved by any order of any such officer may appeal to the Director of Industries.

17.3 TYPES OF CONCESSIONS

Two types of mineral concessions namely 'mining lease' and 'contract' are available under these rules. The 'mining lease' is similar in nature to the lease granted under MCR, 1960. A 'contract' means a contract given on behalf of the Government to win, work and carry away any mineral specified therein through open auction or by inviting tenders for certain specified areas, notified by the Director of Industries.

17.4 PROCEDURE FOR GRANT

17.4.1 MINING LEASE

No mining lease may be granted :

- (i) in respect of land within a distance of 60 metres from any village or national highway;
- (ii) in respect of any such minor mineral as the Government may notify in this behalf; and
- (iii) to a person who does not hold a certificate of approval from the Director of Industries.

An application for a mining lease must be made to the State Government through the Director of Industries or any other officer authorised by the Government in this behalf, in the form prescribed in the rules accompanied by a fee of Rs.400/- an Income Tax Clearance Certificate from the Income Tax Officer concerned and a certificate of approval. The application should contain particulars about the status, nationality, profession and residence of the applicant; name of the minor mineral to be mined; 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 lease is sought; the period for which the lease is required and the purpose for which the mineral is to be used.

The application for the grant of the mining lease must 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 is deemed to have been refused.

Priority in granting mining lease shall be given in the following order : (i) the discoverer of the new mineral; (ii) a person who intends to set up a mineral based industry in the State; and (iii) a co-operative society. Where two or more persons of the same category apply for a mining lease over the same land, the applicant whose application is received earlier has a preferential right for the grant over an applicant whose application is received later. Where such applications are received on the same day, the Government may grant the lease to such one of the applicants as it deems fit after taking into consideration their experience in mining, financial soundness, stability and special knowledge of geology and mining and the technical staff already employed or to be employed for the work. 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 earlier applicant. These rules also empower the Government to give preference to one party over another for the grant of a mining lease or contract, as the case may be, in case it considers that the working of these deposits by that party will be beneficial in the public interest.

The application for the renewal of a mining lease must be made in the prescribed form before six months of the expiry of the lease and accompanied by a fee of Rs.400/-. The application for renewal of the mining lease is required to 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.

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 part of the area applied for. If the application is refused or deemed to have been refused, the application fee must be refunded.

Before the lease is granted, the applicant must deposit as security a sum of Rs.5,000/- for due observance of the terms and conditions of the lease. The lease is required to be executed in the prescribed form within three months of the order sanctioning the lease. After the lease is granted arrangements shall be made, if necessary, at the expense of the lessee for the survey and demarcation of the area granted under the lease.

17.4.2 CONTRACT

The contract is granted only in such cases as the government may, by general or special order, direct. The contract is granted either by public auction or tender. In either case the usual procedure in this regard is followed. When a bid is confirmed or a tender is accepted, the bidder or tenderer is required to execute a deed in the prescribed form within one month from the date of communication of acceptance of bid or tender.

The contractors are required to supply to consumers or allow them to excavate building stone, limestone, kankar and bajri at the rates specified in the Third Schedule for their bonafide personal use or for the construction of building meant for charitable or philanthropic purposes.

17.5 PERIOD AND AREA

17.5.1 MINING LEASE

The period for which a mining lease may be granted is five years at the first instance, unless the Government allows a longer period not exceeding ten years. The mining lease may be renewed for one or two periods not exceeding the period for which the mining lease was originally granted.

A mining lease may be granted for such area as the Government may deem fit. No lessee by himself or with any person joint in interest with him may ordinarily hold in aggregate more than 5 sq.km. of area under lease in respect of one minor mineral within the State. The area under a mining lease shall be rectangular as far as possible and its length should not exceed four times its breadth. However, the Government may relax this condition in any particular case. The application for the grant of a mining lease should relate to a compact area.

17.5.2 CONTRACT

Each contract will ordinarily be auctioned for a period of three years unless the period is specifically stated. The maximum period for which a contract may be granted is five years after which no extension may be granted. No stipulation has been made regarding maximum area. It is, however, laid down that contract may be granted only in such cases as the Government may, by general or special order, direct.

17.6 TRANSFER, SURRENDER, TERMINATION

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.800/- to the Government. The contractor shall not assign, sublet or transfer the contract without obtaining prior permission in writing of the Government.

The lessee may surrender the lease at any time by giving not less than six calendar months notice in writing to the Government, after payment of all outstanding dues.

The State Government has the right to cancel the lease :

- (i) if the lessee does not allow entry or inspection by any officer authorised by the State or the Central Government; or
- (ii) by giving six months prior notice in writing if the State Government considers that the minor minerals under the lease is required for establishing an industry beneficial to the public; or

- (iii) after serving a notice on the lessee to pay the dues within 30 days from the date of receipt of the notice, or
- (iv) if the lessee ceases to work the mine for a continuous period of six months without obtaining the written sanction of the Government.

Likewise, the contract may be determined by the Government or by any officer authorised by it in this behalf by giving one month's notice, if :

- (a) the Contractor makes a default in due observance of the terms and conditions of the contract or in the payment of the contract money on the due date; or
- (b) it is considered by the Government to be in public interest.

17.7 RENTS AND ROYALTIES

Dead rent : The holder of a mining lease is required to pay dead rent for every year, at the rate fixed by the State Government within the limits specified in the Second Schedule. If the lease permits the working of more than one mineral in the same area the Government may charge separate dead rent in respect of each mineral, provided the mining of one mineral does not involve the mining of another. The lessee is liable to pay the dead rent or royalty in respect of each minor mineral whichever is higher in amount but not both.

The current rates of dead rent prescribed in the Second Schedule are :

Second Schedule (Rates of Dead Rent)

All minor minerals	Rs.40/- per acre per annum
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Surface rent : The lessee is required to pay surface rent 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.

Royalty : The lessee is liable to pay royalty on the minor minerals despatched from the leased area at the rate specified in the First Schedule. Subject to the limitation imposed by section 15(3) of the MM(RD) Act, 1957 the State Government is empowered to enhance or reduce the rate of royalty.

First Schedule (Rates of Royalty)

1. Building stones :	
(a) Ashlar and sized dimensional stones	Rs.2.00 per tonne
(b) Masonary stones including Khandas Boulders, etc.	Rs.10.00 per tonne
2. Limestone	Rs.2.00 per tonne.
3. Marble :-	
(a) Used for lime burning	Rs.0.54 per quintal;
(b) Dressed carved and rough and marble slabs.	Rs.5.36 per quintal;
(c) Marble chips, fine powder Khandas and ballast.	Rs.0.64 per quintal;
(d) Coarse powder of not more than plus 20 mesh.	Rs.0.32 per quintal;
(e) Kumari marble	Rs.2.68 per quintal;
4. Bajri gravel	Rs.10.00 per tonne.
5. Kankar, Jhajra-stone, road metal and ballast	Rs.2.00 per tonne.
6. Brick earth	Rs.10.00 per tonne. or Rs.30.00 per 1000 Pucca bricks sold.
7. Fuller's earth	Rs.49.00 per tonne.
8. Bentonite	Rs.51.00 per tonne.
9. Ordinary clay	Rs.10.00 per tonne.
10. Ordinary sand used for non-industrial purposes	Rs.10.00 per tonne.
11. Slab slate stone when used for building material	Rs.1.00 per tonne.
12. Slate when used for building material	Rs.7.00 per tonne.
13. Saltpetre :	
(i) Bearing earth	Rs.40.00 per tonne.
(ii) Crude (Semi-finished)	Rs.400.00 per tonne.
14. All other minor minerals not hereinafter specified	20 per cent of the sale value at pits mouth subject to a minimum of Rs.2/- per tonne.

17.8 DISPUTE SETTLEMENT PROCEDURE

Any person aggrieved by an order of the Director of Industries cancelling or terminating the mining lease or forfeiting any deposit thereunder in whole or in part, or refusing to permit transfer of mining lease, may appeal to the Government against such order within two months of the date of the order. Where the function of the Director of Industries have been delegated to any other officer subordinate to him, the appeal shall lie to the Director against any order of the nature described above made by the subordinate officer. The memorandum of appeal should be accompanied by a treasury receipt of Rs.200/- to the credit of the Government. Upon receipt of such application, the Government or the Director as the case may be, may call for the relevant records and other information and after considering his explanation and giving the appellant an opportunity of hearing and considering any comments that might be offered by the officer, may cancel or review the order against which the appeal has been preferred. The order of the Government or the Director, as the case may be, is final.

Rs. 10.00 per tonne	4. Bath gravel
Rs. 10.00 per tonne	5. Kankar, thaps-stone, road metal and ballast
Rs. 10.00 per tonne	6. Brick earth
Rs. 30.00 per 1000 From 1000 sq. ft.	
Rs. 40.00 per tonne	7. Fuller's earth
Rs. 50.00 per tonne	8. Bentonite
Rs. 100.00 per tonne	9. Ordinary clay
Rs. 100.00 per tonne	10. Ordinary sand used for non-industrial purposes
Rs. 100.00 per tonne	11. Slab slate stone when used for building material
Rs. 100.00 per tonne	12. Slate when used for building material
Rs. 40.00 per tonne	13. Salicorne
Rs. 100.00 per tonne	(i) Bearing earth
	(ii) Crude (non-finished)
Rs. 100.00 per tonne	14. All other minerals not hereinafter specified