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Regular No
Miscellaneous

of 189 .

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PRESS SERIES.

G.O., No. 375

Dated 15th June 1991

[Despatch Abstract.]

Communicating, with instructions to the Board of Revenue the revised rules issued by the Govt. of India for the grant of exploring & prospecting li-
ceses mining leases.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
Cuo 4509/99				Cuo 5480/99			
Cuo 5358/99			313 6/12/99				
Cuo 6503/99			730/27-10-99				

Revenue (1899) Dept.

GOVERNMENT OF INDIA.

DEPARTMENT OF REVENUE AND AGRICULTURE.

GEOLOGY AND MINERALS

File No. 17 of 1899.

Serial No. 3.

To

THE LOCAL GOVERNMENTS AND ADMINISTRATIONS.

Circular No. 19-173

Dated Simla, the 20th May 1899.

Recd. 29th - do -

Regd. 30th - do -

SUBJECT.

Revised Mining Rules for British India.

prospects which are now proposed have long been considered essential, and we concur in the opinion expressed by the Local Government that they can no longer be postponed without serious detriment to the public interests. We therefore recommend the proposals of the Government of Madras for your Lordship's sanction.

No. 1166-Ex.

• Original papers returned.

Copy forwarded to the Department of Revenue and Agriculture * for information.

(By order.)

(Signed) W. S. MEYER,
Dy. Secy. to the Govt. of India.

Despatch from the Right Honourable the Secretary of State for India, to His Excellency the Right Honourable the Governor-General of India in Council, dated India Office, London, 20th April 1899, No. 75, Revenue.

I have considered in Council your Excellency's letter No. 66 (Finance), dated the 9th March 1899, proposing to reorganize the taluk establishments of the Madras Presidency at an additional cost of Rs. 1,04,034 a year.

2. Your proposals are sanctioned.

Ordered, that a copy be forwarded to the Revenue and Agricultural Department, in continuation of endorsement No. 1166-Ex., dated the 9th March 1899.

Ordered also that a copy, with a copy of the despatch and enclosures to which the above is a reply, be forwarded to the Accountant-General, Madras.

(Signed) W. S. MEYER,
Dy. Secy. to the Govt. of India.

ORDER—No. 374, Revenue, dated 14th June 1899.

Land Revenue No. 15.

Communicated to the Board of Revenue.

2. The new scheme will be brought into force on 1st July next.

(True Extract.)

(Signed) N. E. MARJORIBANKS,
Ag. Secretary to Government.

To the Board of Revenue (Land Revenue).
„ the Financial Department.
„ the Accountant-General.

Exd. Shaik Karim.

40 Copies.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—the following letter from E. MACONCHIE, Esq., I.C.S., Under Secretary to the Government of India, Department of Revenue and Agriculture (Land Revenue), to the Secretary to the Government of Madras, Revenue Department, dated Simla, the 19th May 1899, No. 1092—188-1 :—

Forwarded to the Government of Madras for information in continuation of letter No. 623—338-5, dated the 15th March 1899.

ENCLOSURES.

From His Excellency the Right Honourable the Governor-General of India in Council, to the Right Honourable the Secretary of State for India, dated Calcutta, the 9th March 1899, No. 66 of 1899.

We have the honour to forward, for your Lordship's consideration and orders, a copy of

Letter from the Government of Madras, No. 625, dated the 14th November 1896, and enclosures.
Letter from the Government of Madras, No. 628, dated the 28th October 1898, and enclosures.

correspondence received from the Government of Madras, containing proposals for the re-organization of taluk establishments in the Madras Presidency.

2. The question of placing on a more satisfactory footing the Tahsildars' and Deputy Tahsildars' establishments in the Madras Presidency, the inadequacy and consequent inefficiency of which have been recognized for many years, has been before the Local Government and the Government of India since 1875. In our Financial Despatch, No. 71, dated the 2nd March 1886, we recommended, for the sanction of the Secretary of State, a proposal of the Local Government to strengthen the Revenue establishments at an additional cost of Rs. 4,14,772 per annum. Lord Kimberley, however, in his Despatch No. 42 (Revenue), dated the 13th May 1886, declined to sanction the entire scheme on the ground of financial pressure. If, however, so much of the scheme could be adopted as would effect the savings contemplated under certain heads, he was prepared to allow those savings to be devoted to strengthening the establishments most in need of assistance.

3. A further application was made in our Despatch No. 19, dated the 24th January 1888, but the Secretary of State (Viscount Cross), in his Despatch No. 33 (Revenue), dated the 3rd May 1888, expressed himself as averse from considering it until he was better acquainted with the financial position of the Presidency and the relations between the Imperial and Provincial Governments. With their Despatch No. 69 (Financial), dated the 18th March 1890, the Government of India again submitted to the Secretary of State proposals from the Government of Madras. These, however, related only to so much of the scheme as was directed to strengthening the staff and improving the pay of Revenue Inspectors at an additional cost of Rs. 1,20,000 per annum. The Local Government stated that they had selected the measure then advocated from other desirable reforms as an improvement urgently needed in all districts, which would meet the most pressing want of the province. In his telegram of the 29th April 1890, the Secretary of State communicated his sanction, and this portion of the scheme has been introduced.

4. In 1896, the Madras Government resubmitted proposals for the improvement of the position of taluk gumastahs, involving an additional expenditure of Rs. 92,610 per annum. A proposition statement was required, which the Local Government were asked to submit. The Madras Government have accordingly, with their letter No. 628, dated the 28th October 1898, forwarded revised proposals with a complete proposition statement, involving a total additional expenditure of Rs. 1,04,034 a year. We have carefully considered these proposals which are somewhat less expensive than the proposals made under the same head in 1886. The slight increase in the strength of the establishments and the improvement in pay and

Government (1899) of Madras.
REVENUE.

Recd.

Read.

1899.

Enclosures

Spare copies

G.O., No. 374, 14th June 1899.

JUNE.

Reorganization of the Taluk Establishments.

Communicating to the Board of Revenue the sanction accorded by the Secretary of State for India to the —, and stating that the new scheme will be brought into force on 1st July next.

Circular No. 19—17-3.

FROM

THE HON'BLE MR. M. FINUCANE, C.S.I.,
Offg. Secretary to the Government of India,

TO

The Secretary to the Government of Madras.

Dept. of Rev. & Agri.
Geology and Minerals.

Simla, the 20th May 1899.

SIR,

WITH reference to Circular No. 16, dated 13th December 1894, and subsequent correspondence with regard to the mining rules in force in British India, I am directed to forward, for information and guidance, the accompanying Resolution of the Government of India promulgating revised rules for the grant of exploring and prospecting licenses and mining leases, as approved by Her Majesty's Secretary of State for India, and to communicate the following remarks in connection therewith.

2. The revised rules are based on the principle that the Government, while desiring to facilitate the development of India's resources for the public benefit, does not undertake the duty of protecting the private interests of those who embark their money in Indian private enterprises. The rules also devolve on the Local Governments much of the duty which, under the rules of 1894, rested upon the Government of India. The rates of royalty have also been revised, and in the case of gold and silver and precious stones the royalty is placed on the net profits of the year.

3. With regard to *prospecting* licenses, it will be noticed that such licenses may now be granted to Syndicates and Companies as well as to single persons. Also, that the area with respect to which a prospecting license may be granted is not limited by the rules to blocks of specified dimensions, but will be determined in each case by the Collector subject to the control of the Local Government. Also, that with the consent of the Local Government the licensee may transfer or assign to another person, Syndicate, or Company, his rights and interests under the prospecting license. The old rule is retained that no prospecting license shall be granted except to a person (the term "person" includes a Syndicate and a Company) approved by the Local Government. In granting a certificate of approval the Local Government should satisfy itself that the person intends to carry out *bond fide* prospecting work, and has sufficient means at his disposal.

4. A prospecting license should be restricted to such area as is reasonably required for *bond fide* prospecting purposes. In determining this area, regard must be had to the character of the minerals prospected for and the means at the disposal

of the prospector. Under the old rules a prospecting license was limited to one or more blocks, each of a prescribed area and separated from each other by prescribed spaces. These prescriptions have now been abandoned, as they hampered the work of prospecting by preventing the prospector from following up promising indications, and enabled others to reap the fruits of his enterprise. But as a prospecting license confers exclusive rights for a term which may be extended to three years, the area over which such a license should be granted is a matter of some consequence. The Collector's powers in this respect are made subject to the control of the Local Government, and the Local Government might suitably direct that, in cases in which a prospecting license is applied for over a large area, a previous reference to higher authority should be made by the Collector.

5. In the exercise of the power of granting or withholding sanction to an assignment or transfer of a prospecting license, the Local Government will, as a general rule, be justified in withholding sanction if no prospecting work has been done by the licensee, and there is reason to believe that he obtained the license solely with a view to immediately selling it out and out at a profit. On the other hand, sanction may with propriety be given if the licensee requires further resources, or proposes to associate other persons, by way of a partnership, Syndicate, or Joint Stock Company, with himself in the undertaking, if the assignment or transfer appears to be a *bond fide* arrangement and if the transferee is a person or Company whom the Government would be willing to approve as a prospector. Hitherto, the practice has been to unfavourably regard or absolutely prohibit transfers of prospecting licenses, on the ground that ordinarily there was nothing assured to transfer, that the transfer was proposed with the sole object of making money out of the public, and that, if the licensee was unable to work his concession, his proper course was to resign it. Under the new rules, the attitude of the Government will be less strict, but as its sanction to a transfer or assignment is still required by the rules, it must satisfy itself on certain points, as above indicated.

6. With regard to the right to a mining lease secured to the licensee on or before the determination of his prospecting license, the right, it will be observed, is limited to a mining lease of one block of land, which shall not exceed the area specified in Schedule A. The Local Government is empowered to grant to an applicant more than one block of land, if it considers this expedient. But the right of a prospector in respect of a mining lease is limited to one block. The granting of more than one block to him is entirely in the discretion of the Local Government. The number of blocks which may properly be granted under any one lease is a matter of importance, and will vary with the character of the mineral, the resources at the command of the applicant, the area of mineralised land in the locality at the disposal of the Government and the possibility of other capitalists being likely to engage in the same industry. It would ordinarily be unwise, for instance, to give a single applicant, a mining lease of 10 square miles of gold bearing reefs or of an oil tract.

7. The previous assent of the Local Government to the transfer or assignment of a mining lease is required by the rules, and, before granting sanction the Local Government should satisfy itself that the proposed transfer is a *bond fide* transaction, that the transferee is a person or company of substance, and can be relied on to fulfil, in relation to the Government, the conditions and stipulations of the lease. It is not, however, intended that the Government should undertake responsibility

towards the public for the accuracy of any prospectus which the transferees may intend to issue, or should closely examine the details of the proposed transfer or of the arrangements contemplated after it has taken effect. If in any particular case the Local Government feels a difficulty as to how its discretion should be exercised, a reference should be made to the Government of India.

8. A report of every concession made by a Local Government under these rules should be made to the Government of India, and a copy of every mining lease returned to them for information. The terms of mining leases should invariably be settled by the law officers of the Local Government, who should be required to see that they provide for all the obligatory conditions and stipulations of the mining rules.

9. It will be observed that under rule 4 and rule 15 (11) holders of exploring and prospecting licenses are prohibited from entering upon and turning up the surface of occupied land without the consent of the occupier while under rule 22 (v) the holder of a mining lease is bound to make reasonable compensation for all injury that may be done by him in exercise of the powers granted by the lease.

The property of the State in underlying minerals and its right to extract them has been declared in various enactments, but the point is deserving of examination whether in the cases referred to, where the Government does not itself extract minerals but grants the right to do so to another party it is sufficiently empowered by existing law or rule to afford reasonable facilities to licensees and lease-holders to enter on occupied land to break up the surface where necessary and to have the amount of compensation that may be paid assessed by public authority. If such facilities can not be afforded under the law it is possible that the objects of the license or lease may be frustrated by obstruction or unreasonable demands on the part of the occupier or surface owner and to meet such cases some modification of the law may be required. I am to enquire whether the law of your province affords sufficient facilities in this respect. In replying to this enquiry, I am to request that a reference may be given to the law or rule under which action would be taken by the Local Government if the contingency indicated were to arise.

10. The rules apply only to British India.

I have the honour to be,

SIR,

Your most obedient servant,

W. Finucane

Offg. Secretary to the Government of India.

Revenue (1899) Dept.

GOVERNMENT OF INDIA.

DEPARTMENT OF REVENUE AND AGRICULTURE.

GEOLOGY AND MINERALS.

Current No. 3406.

File No. 17 of
1899.
Serial No. 2.

RESOLUTION.

No. 18-17-2.

Dated Simla, the 20th May 1899.

Recd 29th do -

Refd 30th do -

SUBJECT.

Revised rules for the grant of licenses by Local Governments to explore and prospect for minerals and of mining leases in British India.

G. C. Press, Simla.—No. 218 R. & A. 1899.—1,060.

Extract from the Proceedings of the Government of India in the Department of Revenue and Agriculture (Geology and Minerals), dated Simla, the 20th May 1899.

Read the undermentioned papers—

Department of Revenue and Agriculture Resolution No. 15—27-4, dated the 12th December 1894.

Department of Revenue and Agriculture Circular to Local Governments and Administrations, No. 16—27-5, dated the 13th December 1894.

Department of Revenue and Agriculture Circular to Local Governments and Administrations, No. 17—27-6, dated the 13th December 1894.

Despatch to Her Majesty's Secretary of State for India, No. 74, dated the 21st October 1897.

Despatch from Her Majesty's Secretary of State for India, No. 16 (Revenue), dated the 19th January 1899.

RESOLUTION.

The Governor General in Council is pleased to prescribe the following revised rules for regulating the grant by Local Governments of licenses to explore and prospect for minerals and the grant of mining leases in British India:

Rules for the grant of licenses by Local Governments to explore and prospect for Minerals, and of Mining Leases in British India.

The following rules regulating the grant by Local Governments of licenses to explore and prospect for minerals and the grant of leases of mines and minerals have been made by the Governor General in Council, and sanctioned by the Secretary of State for India in Council.

No such license or lease can be granted by any Local Government otherwise than in accordance with these rules, except with the previous sanction of the Secretary of State for India in Council, or with that of the Governor General in Council under any general or special authority which he may have received in this behalf from the said Secretary of State in Council.

In these rules—

Collector means the Revenue Officer in charge of the district; and

Local Government includes a Chief Commissioner;

Person includes any persons, syndicate, partnership, or Company.

A license or lease under these rules may be granted to any person; in case of the death of the person or any of the persons to whom it is granted it shall inure for the benefit of his legal representatives.

Exploring Licenses.

1. A license to explore land for minerals or mineral oil, called hereinafter an exploring license, will authorise the licensee to search the surface of the land specified in the license for minerals of every description and for mineral oil, and, subject to such restrictions as the Local Government may from time to time impose, to remove any specimens or samples found by the licensee in or upon such land.*

2. Such license shall only be granted with respect to land in which the mines, minerals, or mineral oils are the property of the Government, and (subject to the provisions of any law, or rule having the force of law, for the time being in force with reference to such land) shall not authorise the licensee to enter upon any land in the occupation of any person without the consent of the occupier.

* *Note.*—The surface of unoccupied and unreserved land which is the property of Government may be freely searched without a license, but the Government does not object to granting a license to explore when one is applied for.

3. Such license cannot be assigned, nor can any right or interest thereunder be transferred without the assent of the Local Government.

4. Such license shall not authorise the licensee to mine or quarry, but he may turn up to such depth as the Collector may sanction, and, subject to such conditions as he may impose, the surface of unoccupied land, or, with the consent of the occupier, that of land which the Government has granted for agricultural purposes, reserving only the right to minerals.

5. Such license may be granted by such person and under such rules as the Local Government may prescribe.

6. Every such license shall run for one year, but may be renewed for a further similar term by the same authority, and there shall be paid for each license or renewal such fee, not exceeding Rs. 10, as the Local Government may prescribe.

7. A royalty shall be payable to Government on the value of all precious stones found and removed by an explorer, whether he has taken out a license or not. In the case of licenses such royalty shall be at such rate, not exceeding 15 per cent., as shall be fixed by the license, and in the case of an unlicensed explorer, shall be 15 per cent. on the value of the stones removed. Neglect to report the discovery of any such stone within a reasonable time shall involve the forfeiture of the license and of all claim to have an application for a mining or prospecting lease favourably considered.

8. Such license shall give no exclusive or preferential rights, but in considering rival claims for a prospecting license or mining lease, due regard will be had to operations conducted under cover of an exploring license.

Prospecting Licenses.

9. (1) A license to prospect for minerals or mineral oil, called hereinafter a prospecting license, shall confer on the licensee the sole right, subject to the conditions contained in the or mineral oil specified in the license, and lying or being within, under, or throughout the land specified in the license.

(2) A prospecting license shall only be granted with respect to land in which the mines, minerals, or mineral oils are the property of the Government, and shall apply only to the area described in the license.

10. No prospecting license shall be granted except to a person approved by the Local Government, and such person shall, before the license is granted, deposit as security in mine, or give security to the like amount to the satisfaction of the Collector. Subject to such deduction on account of compensation for surface damage or otherwise as the Collector may order, the amount of any deposit made under this rule, should the depositor afterwards become the lessee of any mining lease, will be carried to his credit as part of the lease as aforesaid, will be returned to him.

11. (1) Every application for a prospecting license shall, unless the Local Government shall in any case otherwise direct, be made to the Collector of the district, in which the land or some part of the land with respect to which the license is required is situate.

(2) Every such application shall contain the following particulars, namely:—

- the name, residence, and profession of the applicant;
- a description, as accurate as possible, and illustrated by a rough sketch, of the situation, boundaries, and area of the land with respect to which the license is required; and
- a specification of the mineral or minerals for which the applicant desires to prospect.

(3) Every application shall be accompanied by a certificate that the applicant has been approved by the Local Government, under the signature of one of its secretaries.

12. On receipt of any such application the Collector shall, as soon as practicable, inquire whether the grant of the license applied for is inexpedient either on the ground that the land described in the application is required for a public purpose, or otherwise.

13. (1) Should the Collector be of opinion that it is not expedient to grant the license, or should he find that the licensee has not been approved by the Local Government, he shall refuse to grant the license, and shall forthwith report the matter through the proper channel to the Local Government, which may pass such orders as it may think fit.

(2) Subject to the control of the Local Government, the Collector, if he finds that there is no objection to the grant of the license applied for, and if the applicant has been

approved by the Local Government, may grant to the applicant a license in such form as may be prescribed, and shall report the matter to the Local Government or such other authority as the Local Government may direct.

14. A register of applications for prospecting licenses shall be kept in English in the Collector's office, specifying—

- Name of applicant.
- Date.
- Residence of applicant.
- Situation of the land.
- Boundaries.
- Estimated area.
- Date of certificate of approval of applicant by the Local Government.
- Date of license.
- Rent and royalty payable.
- Period for which granted.

15. Every prospecting license shall contain such conditions as may in any particular case seem necessary, and shall in all cases contain the following conditions:—

- The term for which the license shall be granted shall be one year or such shorter term as the applicant may desire. The license may be renewed by the Collector for a further term not exceeding two years, whenever he is satisfied that the licensee has been prevented from completing his search of the land by any cause other than his own default.
- A moderate rent not exceeding one rupee per acre shall be paid for the land covered by the license.
- The licensee shall pay a royalty at a rate not exceeding 15 per cent. of the value on all precious stones won and carried away, and a royalty at the rates specified in Schedule C on all other minerals won and carried away over and above such quantity as the Collector, subject to the orders of the Local Government, may allow to be taken free for purposes of experiment.
- No land in the occupation of any person shall be entered upon without the consent of the occupier, and no trees, standing crops, or other private property shall be cut or in any way injured without the consent of the owner thereof.
- The licensee shall make and pay reasonable satisfaction and compensation for all injury which may be done by him in exercise of the powers granted by the license, and shall indemnify the Government against all claims which may be made by third parties in respect of any such damage or injury.
- The licensee shall not cut or injure any tree on unoccupied and unreserved land without the permission of the Collector in writing.
- Such license cannot be assigned nor can any right or interest thereunder be transferred without the consent of the Local Government.
- In case of any breach on the part of the licensee of any of the five last preceding clauses, the Collector may summarily revoke the license, and thereupon all rights conferred thereby or enjoyed thereunder shall cease.
- The licensee shall, within six months next after the determination of the license or the date of the abandonment of the undertaking, whichever shall first occur, securely plug any bores and fill up or fence any holes or excavations that he may have made in the land to such extent as the Collector may require, and shall to the like extent restore the surface of the land and all buildings thereon which he may have damaged in the course of prospecting: Provided that this clause shall not apply to any land held under a mining lease.
- Should any question of dispute arise regarding the license, or any matter or thing connected therewith, or the powers of the licensee thereunder or the amount or payment of the rent or royalty made payable thereby, the matter in difference shall be decided by the Local Government, whose decision shall be final.

16. On or before the determination of his license the licensee shall have a right, subject to the rules hereinafter contained—

- in the case of mineral oil or minerals other than precious stones, to a mining lease in accordance with the terms contained in rules for mining leases;

- (b) in the case of precious stones, to the first offer of such mining lease as the Governor General in Council may think fit to grant.

Such lease may include so much land, whether comprising the whole or a part only of the area for which the prospecting license was granted, as shall not exceed the area specified with respect to mining leases in Schedule A annexed to these rules.

Mining Leases.

17. (1) Every application for the grant of a mining lease, not being a lease of a mine of precious stones, shall be presented to the Collector in whose district the land or some part of the land with respect to which the lease is applied for is situate. The Collector shall forward the application through the proper channel to the Local Government. The Local Government may by general or special order require a deposit of money not exceeding Rs. 500 to be made by the applicant in any case or class of cases before the application is taken into consideration.

(2) No mining lease shall be granted otherwise than with respect to land in which the mines, minerals, or mineral oils are the property of Government.

18. Every application for a mining lease shall contain—

- the name, residence, and profession of the applicant;
- the name of the mineral for which the applicant intends to mine;
- a map of the area over which the proposed lease is to extend.

19. On receipt of any such application the Local Government may, if the applicant is entitled to a lease under Rule 16, or if it considers that the applicant should be granted a mining lease, grant the same in accordance with these rules over such one or more blocks, each not exceeding in extent the area specified in Schedule A annexed to these rules, as the Local Government may think fit:

Provided that no mining lease shall be granted by a Local Government under these rules so as to cause the total area held under mining leases by the lessee, or by those joint in interest with him, to exceed ten square miles.

No such lease shall be executed until it has been approved by the Advocate General or other legal adviser, if any, appointed for the Province.

20. Without the previous sanction of the Governor General in Council, the length of a block shall not be allowed to exceed four times its breadth.

21. The term for which a mining lease may be granted shall not exceed thirty years, and no covenant for renewal may be inserted in the lease without the sanction of the Governor General in Council.

22. Every such lease shall contain such conditions and stipulations as the Local Government may in each case consider necessary; but shall in every case contain the following conditions, namely:—

- the lessee shall pay a royalty at the rate specified in the lease, which rate shall be that fixed for the particular mineral in Schedule C; and if any other mineral shall be discovered by him, then the royalty shall be paid therefor at such rate, not being less than 20 per cent. of the value thereof, as the Local Government may determine, until a mining lease has been obtained in respect of such mineral; but the lessee shall be entitled to require and obtain such lease for the term then unexpired of his original lease upon the terms hereinbefore mentioned in Rule 16;
- the lessee shall also pay for every year after the first year a fixed yearly dead rent at a rate not less than that laid down in Schedule B: provided that no lessee shall pay both royalty and dead rent in respect of the same lease, but only such one of them as may be of the greater amount;
- the lessee shall also pay for all land which he may take up, use, or occupy for the purpose of the mine a surface rent at the rate specified in Schedule B;
- the lessee shall at his own expense erect and at all times maintain and keep in repair boundary marks and pillars according to the demarcation to be shown in a plan annexed to his lease;
- the lessee shall make and pay reasonable satisfaction and compensation for all injury which may be done by him in exercise of the powers granted by the lease, and shall indemnify the Government against all claims which may be made by third parties in respect of any such injury;
- the lessee shall not cut or injure any tree reserved in the lease;

- (vii) neither the lessee nor any person claiming through or under him shall assign the lease, or transfer any right or interest thereunder, or underlet the whole or any portion of the premises comprised in such lease, without the assent of the Local Government first had and obtained;

- (viii) the lessee shall commence operations within two years from the date of the execution of the lease, and shall thereafter carry them on effectually in a proper, skilful, and mininglike manner unless prevented by unavoidable cause;

- (ix) the lessee shall keep correct accounts showing the quantity and particulars of all minerals obtained from the mine and the number of persons employed therein, and also complete plans of the mine, and shall allow any officer authorised by the Local Government in that behalf at any time to examine such accounts and plans, and shall furnish the Local Government with such information and returns in respect of the aforesaid matter as it may prescribe;

- (x) the lessee shall allow any officer authorised by the Local Government in that behalf to enter upon the premises comprised in the lease for the purpose of inspecting the same;

- (xi) the lessee shall without delay send to the Collector a report of any accident which may occur at or in the said premises, and also the finding therein of any mineral not specified in the lease;

- (xii) should the royalty or rent reserved or made payable by the lease be not paid within two months next after the date fixed in the lease for the payment of the same, the Local Government may enter upon the said premises and detain all or any of the minerals or moveable property therein, and may carry away or detain them until the rent or royalty due and all costs and expenses occasioned by the non-payment thereof shall be fully paid; and, if any royalty or rent remain at any time unpaid for six calendar months after the date on which it is due, the Local Government may determine the lease and take possession of the premises comprised therein;

- (xiii) in case of any breach on the part of the lessee of any covenant or condition contained in the lease, the Local Government may determine the lease and take possession of the said premises;

- (xiv) at the end or sooner determination of the lease, the lessee shall deliver up the said premises and all mines (if any) dug therein in a proper and workmanlike state, save in respect of any working as to which the Local Government may have sanctioned abandonment;

- (xv) should any question or dispute arise regarding the lease or any matter or thing connected with the mines and minerals leased, or the working or non-working thereof, or the amount or payment of the royalty or rent reserved or made payable by the lease, the matter in difference shall be decided by the Local Government, whose decision thereon shall be final.

23. No lease of a mine of precious stones shall be granted except by the Governor General in Council. The procedure for obtaining and the conditions of such lease shall be those prescribed by Rules 17 to 22, read as if the Governor General in Council were substituted for the Local Government.

General Provisions as to Licenses and Leases.

24. (1) All operations conducted under the authority of these rules within a reserved forest shall be subject to such conditions as the Local Government may by general or special order from time to time prescribe.

(2) It shall be a condition of every license granted under these rules that, before the commencement of exploration or prospecting (as the case may be) within a reserved forest, notice shall be given to the District Forest Officer of the intention to commence operations, and that the operation shall be conducted subject to any conditions regarding the use of fire that he may prescribe.

(3) Every mining lease which includes any portion of a reserved forest shall, if it authorises the lessee to fell timber for mining purposes, specify the area within which, or the quantity up to which, and the terms and conditions upon which, he may exercise that authority.

25. Should the applicant for a prospecting license or mining lease desire the Collector to prepare for him the sketch required by Rule 11 (2) (b) or the map required by Rule 18 (c), or should the sketch or map presented by the applicant be insufficient, the Collector may prepare the sketch or map required, and may, if he so order, recover the cost from the applicant at a rate not exceeding 4 annas per acre. If the Local Government has prepared a map of a tract of country specially for the convenience of intending applicants for licenses

* Note.—All information and returns obtained or furnished under this clause shall be treated as strictly confidential.

and leases under these rules, and if any applicant makes use of such map for the sketch or map aforesaid, it will be open to the Local Government to recover as above such share of the cost of preparing the map as it may consider to be equitably due from such applicant.

26. If a license or lease is not executed within six months after leave has been granted for it, the right of the applicant to such license or lease shall be held to have lapsed, unless the Local Government for special reasons consents to grant the same notwithstanding the delay.

SCHEDULE A.

(Vide No. 19 of Rules)

Maximum area in square miles for Mining-lease—

Coal	1
Oil	1
Gold or silver	1
Metals	1
Precious stones	1

SCHEDULE B.

(Vide Nos. 15 (ii), 22 (ii), and 22 (iii) of Rules.)

Rent charged for— Coal Oil Gold or silver Iron Other metals	Prospecting.	Mining.	
		Surface Rent per Acre.	Depth Rent per Acre.
	A moderate rent not exceeding one rupee per acre.	The rent rate assessable under the Revenue or Rent law of the Province; or, if no such rent is so assessable, the rate which may be fixed by agreement, subject to a maximum of one rupee.	4 annas 1 rupee. 1 anna. 1 rupee.

SCHEDULE C.

(Vide Nos. 15 (iii) and 22 (i) of Rules.)

Prospecting and Mining.	
Royalty—	
Coal, exclusive of dust and coal used on the works.	1 anna per ton.
Oil	8 annas per 40 gallons or 5 per cent. ad valorem on gross value.
Gold or silver	2 1/2 per cent. on the net profits of each year taken separately.
Iron	1 anna per ton of ironstone.
Copper, tin, lead, or other metals	2 1/2 per cent. on the sale value at the pit's mouth or on the surface, of the dressed ore or metal, convertible at the option of the lessee to an equivalent charge per ton to be fixed annually or for a term.
Precious stones	30 per cent. on the net profits of each year taken separately.

* Will be decided by the Government of India in each case on its merits

ORDER.—Ordered that a copy of this Resolution be forwarded to all Local Governments and Administrations for information and guidance, and that a copy be forwarded to all Departments of the Government of India, to the Director, Geological Survey of India, and to the Inspector General of Forests, for information.

Ordered, also, that the Resolution be published in the Supplement to the Gazette of India for general information.

(True Extract.)

Offg. Secretary to the Government of India.

To The Secretary to the Government of India

Printed by the Government of India
15/6/99

The rules have already been republished in the Gazette of India

H. M. Scire

H. W. 12-6-99

13.6.99

E

(A) Read Circular of the Govt. of India (Rev. and Agri. Deptt.) No. 19-17-3d. 20.5.99 (Cus 3459/99)

(A) Read also Resolution of the Govt. of India (Rev. and Agri. Deptt.) No. 18-17-2d 20.5.99 (Cus 3466/99)

Order Press No. 375d/15th June 1899

Communicated to the Board of Revenue for information and guidance. The Board should revise its Standing Order No. 15 (N.E) and the rules for the mining of mica in the Nellore district with reference to the new rules now issued by the Govt. of India, and submit the revised drafts for the approval of the Govt.

2. The Board is requested to report ~~its~~ ^{is requested to} ~~its~~ ^{fully} its views ~~to Govt. of India~~ ^{referred to} on the question ~~raised~~ ^{by the} Govt of India in paragraph of its circular letter read above.

11/6/12

To the B. of Rev., L.R. - Issued under 15.6.99
Copy to the B. of Rev., Rev. Selt.
Govt. Secretary

Government {1899} of Madras.
REVENUE.

Recd.

Regd.

} 1899.

Enclosures

Spare copies

G.O., No. 375, 15th June 1899.

JUNE.

Revised Mining Rules.

Communicating with instructions to the Board of Revenue the revised rules issued by the Government of India for the grant of exploring and prospecting licenses and mining leases.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—the following letter from the Hon'ble Mr. M. FINUCANE, c.s.i., I.C.S.,
 Officiating Secretary to the Government of India (Department of Revenue and
 Agriculture—Geology and Minerals), to the Secretary to the Government
 of Madras, Revenue Department, dated Simla, the 20th May 1899, Circular
 No. 19—17-3 :—

With reference to Circular No. 16, dated 13th December 1894, and subsequent correspondence with regard to the mining rules in force in British India, I am directed to forward, for information and guidance, the accompanying Resolution of the Government of India promulgating revised rules for the grant of exploring and prospecting licenses and mining leases, as approved by Her Majesty's Secretary of State for India, and to communicate the following remarks in connection therewith:

2. The revised rules are based on the principle that the Government, while desiring to facilitate the development of India's resources for the public benefit, does not undertake the duty of protecting the private interests of those who embark their money in Indian private enterprises. The rules also devolve on the Local Governments much of the duty which, under the rules of 1894, rested upon the Government of India. The rates of royalty have also been revised, and in the case of gold and silver and precious stones the royalty is placed on the net profits of the year.

3. With regard to *prospecting* licenses, it will be noticed that such licenses may now be granted to Syndicates and Companies as well as to single persons. Also, that the area with respect to which a prospecting license may be granted is not limited by the rules to blocks of specified dimensions, but will be determined in each case by the Collector subject to the control of the Local Government. Also, that with the consent of the Local Government the licensee may transfer or assign to another person, Syndicate, or Company, his rights and interests under the prospecting license. The old rule is retained that no prospecting license shall be granted except to a person (the term "person" includes a Syndicate and a Company) approved by the Local Government. In granting a certificate of approval the Local Government should satisfy itself that the person intends to carry out *bona fide* prospecting work, and has sufficient means at his disposal.

4. A prospecting license should be restricted to such area as is reasonably required for *bona fide* prospecting purposes. In determining this area, regard must be had to the character of the minerals prospected for and the means at the disposal of the prospector. Under the old rules a prospecting license was limited to one or more blocks, each of a prescribed area and separated from each other by prescribed spaces. These prescriptions have now been abandoned, as they hampered the work of prospecting by preventing the prospector from following up promising indications, and enabled others to reap the fruits of his enterprise. But as a prospecting license confers exclusive rights for a term which may be extended to three years, the area over which such a license should be granted is a matter of some consequence. The Collector's powers in this respect are made subject to the control of the Local Government, and the Local Government might suitably direct that, in cases in which a prospecting license is applied for over a large area, a previous reference to higher authority should be made by the Collector.

5. In the exercise of the power of granting or withholding sanction to an assignment or transfer of a prospecting license, the Local Government will, as a general rule, be justified in withholding sanction if no prospecting work has been done by the licensee, and there is reason to believe that he obtained the license solely with a view to immediately selling it out and out at a profit. On the other hand, sanction may with propriety be given if the licensee requires further resources, or proposes to associate other persons, by way of a partnership, Syndicate, or Joint Stock Company, with himself in the undertaking, if the assignment or transfer appears to be a *bona fide* arrangement and if the transferee is a person or Company whom the Government would be willing to approve as a prospector. Hitherto, the practice has been to unfavourably regard or absolutely prohibit transfers of prospecting licenses, on the ground that ordinarily there was nothing assured to transfer, that the transfer was proposed with the sole object of making money out of the public, and that, if the licensee was unable to work his concession, his proper course was to resign it. Under the new rules, the attitude of the Government will be less strict, but as its sanction to a transfer or assignment is still required by the rules, it must satisfy itself on certain points, as above indicated.

6. With regard to the right to a mining lease secured to the licensee on or before the determination of his prospecting license, the right, it will be observed, is limited to a mining lease of one block of land, which shall not exceed the area specified in schedule A. The Local Government is empowered to grant to an applicant more than one block of land, if it considers this expedient. But the right of a prospector in respect of a mining lease is limited to one block. The granting of more than one block to him is entirely in the discretion of the Local Government. The number of blocks which may properly be granted under any one lease is a matter of importance, and will vary with the character of the mineral, the resources at the command of the applicant, the area of mineralised land in the locality at the disposal of the Government and the possibility of other capitalists being likely to engage in the same industry. It would ordinarily be unwise, for instance, to give a single applicant, a mining lease of ten square miles of gold bearing reefs or of an oil tract.

7. The previous assent of the Local Government to the transfer or assignment of a mining lease is required by the rules, and, before granting sanction the Local Government should satisfy itself that the proposed transfer is a *bona fide* transaction, that the transferee is a person or Company of substance, and can be relied on to fulfil, in relation to the Government, the conditions and stipulations of the lease. It is not, however, intended that the Government should undertake responsibility towards the public for the accuracy of any prospectus which the transferees may intend to issue, or should closely examine the details of the proposed transfer or of the arrangements contemplated after it has taken effect. If in any particular case the Local Government feels a difficulty as to how its discretion should be exercised, a reference should be made to the Government of India.

8. A report of every concession made by a Local Government under these rules should be made to the Government of India, and a copy of every mining lease returned to them for information. The terms of mining leases should invariably be settled by the law officers of the Local Government, who should be required to see that they provide for all the obligatory conditions and stipulations of the mining rules.

9. It will be observed that under rule 4 and rule 15 (IV) holders of exploring and prospecting licenses are prohibited from entering upon and turning up the surface of occupied land without the consent of the occupier while under rule 22 (v) the holder of a mining lease is bound to make reasonable compensation for all injury that may be done by him in exercise of the powers granted by the lease.

The property of the State in underlying minerals and its right to extract them has been declared in various enactments, but the point is deserving of examination whether in the cases referred to, where the Government does not itself extract minerals but grants the right to do so to another party it is sufficiently empowered by existing law or rule to afford reasonable facilities to licensees and lease-holders to enter on occupied land to break up the surface where necessary and to have the amount of compensation that may be paid assessed by public authority. If such facilities cannot be afforded under the law it is possible that the objects of the license

or lease may be frustrated by obstruction or unreasonable demands on the part of the occupier or surface owner and to meet such cases some modification of the law may be required. I am to enquire whether the law of your province affords sufficient facilities in this respect. In replying to this enquiry, I am to request that a reference may be given to the law or rule under which action would be taken by the Local Government if the contingency indicated were to arise.

10. The rules apply only to British India.

READ—the following extract from the Proceedings of the Government of India, in the Department of Revenue and Agriculture (Geology and Minerals), dated Simla, the 20th May 1899, No. 18—17-2:—

Read—the undermentioned papers—

Department of Revenue and Agriculture Resolution No. 15—27-4, dated the 12th December 1894.

Department of Revenue and Agriculture Circular to Local Governments and Administrations, No. 16—27-5, dated the 13th December 1894.

Department of Revenue and Agriculture Circular to Local Governments and Administrations, No. 17—27-6, dated the 13th December 1894.

Despatch to Her Majesty's Secretary of State for India, No. 74, dated the 21st October 1897.

Despatch from Her Majesty's Secretary of State for India, No. 16 (Revenue), dated the 19th January 1899.

RESOLUTION.

The Governor-General in Council is pleased to prescribe the following revised rules for regulating the grant by Local Governments of licenses to explore and prospect for minerals and the grant of mining leases in British India.

RULES FOR THE GRANT OF LICENSES BY LOCAL GOVERNMENTS TO EXPLORE AND PROSPECT FOR MINERALS, AND OF MINING LEASES IN BRITISH INDIA.

The following rules regulating the grant by Local Governments of licenses to explore and prospect for minerals and the grant of leases of mines and minerals have been made by the Governor-General in Council, and sanctioned by the Secretary of State for India in Council.

No such license or lease can be granted by any Local Government otherwise than in accordance with these rules, except with the previous sanction of the Secretary of State for India in Council, or with that of the Governor-General in Council under any general or special authority which he may have received in this behalf from the said Secretary of State in Council.

In these rules—

Collector means the Revenue Officer in charge of the district;

Local Government includes a Chief Commissioner; and

Person includes any persons, syndicate, partnership, or Company.

A license or lease under these rules may be granted to any person; in case of the death of the person or any of the persons to whom it is granted it shall inure for the benefit of his legal representatives.

Exploring Licenses.

1. A license to explore land for minerals or mineral oil, called hereinafter an exploring license, will authorise the licensee to search the surface of the land specified in the license for minerals of every description and for mineral oil, and, subject to such restrictions as the Local Government may from time to time impose, to remove any specimens or samples found by the licensee in or upon such land.*

2. Such license shall only be granted with respect to land in which the mines, minerals, or mineral oils are the property of the Government, and (subject to the provisions of any law, or rule having the force of law, for the time being in force with reference to such land) shall not authorise the licensee to enter upon any land in the occupation of any person without the consent of the occupier.

3. Such license cannot be assigned, nor can any right or interest thereunder be transferred without the assent of the Local Government.

4. Such license shall not authorise the licensee to mine or quarry, but he may turn up to such depth as the Collector may sanction, and, subject to such conditions as he may impose, the surface of unoccupied land, or, with the consent of the occupier, that of land which the Government has granted for agricultural purposes, reserving only the right to minerals.

* Note.—The surface of unoccupied and unreserved land which is the property of Government may be freely searched without a license, but the Government does not object to granting a license to explore when one is applied for.

5. Such license may be granted by such person and under such rules as the Local Government may prescribe.

6. Every such license shall run for one year, but may be renewed for a further similar term by the same authority, and there shall be paid for each license or renewal such fee, not exceeding Rs. 10, as the Local Government may prescribe.

7. A royalty shall be payable to Government on the value of all precious stones found and removed by an explorer, whether he has taken out a license or not. In the case of licenses such royalty shall be at such rate, not exceeding 15 per cent., as shall be fixed by the license, and in the case of an unlicensed explorer, shall be 15 per cent. on the value of the stones removed. Neglect to report the discovery of any such stone within a reasonable time shall involve the forfeiture of the license and of all claim to have an application for a mining or prospecting lease favourably considered.

8. Such license shall give no exclusive or preferential rights, but in considering rival claims for a prospecting license or mining lease, due regard will be had to operations conducted under cover of an exploring license.

Prospecting Licenses.

9. (1) A license to prospect for minerals or mineral oil, called hereinafter a prospecting license, shall confer on the licensee the sole right, subject to the conditions contained in the license, to mine, quarry, bore, dig and search for, win, work, and carry away any mineral or mineral oil specified in the license, and lying or being within, under, or throughout the land specified in the license.

(2) A prospecting license shall only be granted with respect to land in which the mines, minerals, or mineral oils are the property of the Government, and shall apply only to the area described in the license.

10. No prospecting license shall be granted except to a person approved by the Local Government, and such person shall, before the license is granted, deposit as security in respect of each license such sum, not being less than Rs. 100, as the Collector may determine, or give security to the like amount to the satisfaction of the Collector. Subject to such deduction on account of compensation for surface damage or otherwise as the Collector may order, the amount of any deposit made under this rule, should the depositor afterwards become the lessee of any mining lease, will be carried to his credit as part of the rents and royalties payable under his lease, and should he decline or fail to obtain any such lease as aforesaid, will be returned to him.

11. (1) Every application for a prospecting license shall, unless the Local Government shall in any case otherwise direct, be made to the Collector of the district, in which the land or some part of the land with respect to which the license is required is situate.

(2) Every such application shall contain the following particulars, namely:

- (a) the name, residence, and profession of the applicant;
- (b) a description, as accurate as possible, and illustrated by a rough sketch, of the situation, boundaries, and area of the land with respect to which the license is required; and
- (c) a specification of the mineral or minerals for which the applicant desires to prospect.

(3) Every application shall be accompanied by a certificate that the applicant has been approved by the Local Government, under the signature of one of its secretaries.

12. On receipt of any such application, the Collector shall, as soon as practicable, inquire whether the grant of the license applied for is inexpedient either on the ground that the land described in the application is required for a public purpose, or otherwise.

13. (1) Should the Collector be of opinion that it is not expedient to grant the license, or should he find that the licensee has not been approved by the Local Government, he shall refuse to grant the license, and shall forthwith report the matter through the proper channel to the Local Government, which may pass such orders as it may think fit.

(2) Subject to the control of the Local Government, the Collector, if he finds that there is no objection to the grant of the license applied for, and if the applicant has been approved by the Local Government, may grant to the applicant a license in such form as may be prescribed, and shall report the matter to the Local Government or such other authority as the Local Government may direct.

14. A register of applications for prospecting licenses shall be kept in English in the Collector's office, specifying—

- (1) Name of applicant.
- (2) Date.
- (3) Residence of applicant.
- (4) Situation of the land.
- (5) Boundaries.
- (6) Estimated area.
- (7) Date of certificate of approval of applicant by the Local Government.
- (8) Date of license.
- (9) Rent and royalty payable.
- (10) Period for which granted.

15. Every prospecting license shall contain such conditions as may in any particular case seem necessary, and shall in all cases contain the following conditions:—

- (i) The term for which the license shall be granted shall be one year or such shorter term as the applicant may desire. The license may be renewed by the Collector for a further term not exceeding two years, whenever he is satisfied that the licensee has been prevented from completing his search of the land by any cause other than his own default.

- (ii) A moderate rent not exceeding one rupee per acre shall be paid for the land covered by the license.
 - (iii) The licensee shall pay a royalty at a rate not exceeding 15 per cent. of the value on all precious stones won and carried away, and a royalty at the rates specified in Schedule O on all other minerals won and carried away over and above such quantity as the Collector, subject to the orders of the Local Government, may allow to be taken free for purposes of experiment.
 - (iv) No land in the occupation of any person shall be entered upon without the consent of the occupier, and no trees, standing crops, or other private property shall be cut or in any way injured without the consent of the owner thereof.
 - (v) The licensee shall make and pay reasonable satisfaction and compensation for all injury which may be done by him in exercise of the powers granted by the license, and shall indemnify the Government against all claims which may be made by third parties in respect of any such damage or injury.
 - (vi) The licensee shall not cut or injure any tree on unoccupied and unreserved land without the permission of the Collector in writing.
 - (vii) Such license cannot be assigned nor can any right or interest thereunder be transferred without the consent of the Local Government.
 - (viii) In case of any breach on the part of the licensee of any of the five last preceding clauses, the Collector may summarily revoke the license, and thereupon all rights conferred thereby or enjoyed thereunder shall cease.
 - (ix) The licensee shall, within six months next after the determination of the license or the date of the abandonment of the undertaking, whichever shall first occur, securely plug any bores and fill up or fence any holes or excavations that he may have made in the land to such extent as the Collector may require, and shall to the like extent restore the surface of the land and all buildings thereon which he may have damaged in the course of prospecting: Provided that this clause shall not apply to any land held under a mining lease.
 - (x) Should any question of dispute arise regarding the license, or any matter or thing connected therewith, or the powers of the licensee thereunder or the amount or payment of the rent or royalty made payable thereby, the matter in difference shall be decided by the Local Government, whose decision shall be final.
16. On or before the determination of his license the licensee shall have a right, subject to the rules hereinafter contained—
- (a) in the case of mineral oil or minerals other than precious stones, to a mining lease in accordance with the terms contained in rules for mining leases;
 - (b) in the case of precious stones, to the first offer of such mining lease as the Governor-General in Council may think fit to grant.

Such lease may include so much land, whether comprising the whole or a part only of the area for which the prospecting license was granted, as shall not exceed the area specified with respect to mining leases in schedule A annexed to these rules.

Mining Leases.

17. (1) Every application for the grant of a mining lease, not being a lease of a mine of precious stones, shall be presented to the Collector in whose district the land or some part of the land with respect to which the lease is applied for is situate. The Collector shall forward the application through the proper channel to the Local Government. The Local Government may by general or special order require a deposit of money not exceeding Rs. 500 to be made by the applicant in any case or class of cases before the application is taken into consideration.

(2) No mining lease shall be granted otherwise than with respect to land in which the mines, minerals, or mineral oils are the property of Government.

18. Every application for a mining lease shall contain—

- (a) the name, residence, and profession of the applicant;
- (b) the name of the mineral for which the applicant intends to mine;
- (c) a map of the area over which the proposed lease is to extend.

19. On receipt of any such application the Local Government may, if the applicant is entitled to a lease under Rule 16, or if it considers that the applicant should be granted a mining lease, grant the same in accordance with these rules over such one or more blocks, each not exceeding in extent the area specified in Schedule A annexed to these rules, as the Local Government may think fit:

Provided that no mining lease shall be granted by a Local Government under these rules so as to cause the total area held under mining leases by the lesser, or by those joint in interest with him, to exceed ten square miles.

No such lease shall be executed until it has been approved by the Advocate-General or other legal adviser, if any, appointed for the Province.

20. Without the previous sanction of the Governor-General in Council, the length of a block shall not be allowed to exceed four times its breadth.

21. The term for which a mining lease may be granted shall not exceed thirty years, and no covenant for renewal may be inserted in the lease without the sanction of the Governor-General in Council.

22. Every such lease shall contain such conditions and stipulations as the Local Government may in each case consider necessary; but shall in every case contain the following conditions, namely:

- (i) the lessee shall pay a royalty at the rate specified in the lease, which rate shall be that fixed for the particular mineral in Schedule O; and if any other mineral shall be discovered by him, then the royalty shall be paid therefor at such rate, not being less than 20 per cent. of the value thereof, as the Local Government may determine, until a mining lease has been obtained in respect of such mineral; but the lessee shall be entitled to require and obtain such lease for the term then unexpired of his original lease upon the terms hereinbefore mentioned in Rule 16;
- (ii) the lessee shall also pay for every year after the first year a fixed yearly dead rent at a rate not less than that laid down in Schedule B: provided that no lessee shall pay both royalty and dead rent in respect of the same lease, but only such one of them as may be of the greater amount;
- (iii) the lessee shall also pay for all land which he may take up, use or occupy for the purpose of the mine a surface rent at the rate specified in Schedule B;
- (iv) the lessee shall at his own expense erect and at all times maintain and keep in repair boundary marks and pillars according to the demarcation to be shown in a plan annexed to his lease;
- (v) the lessee shall make and pay reasonable satisfaction and compensation for all injury which may be done by him in exercise of the powers granted by the lease, and shall indemnify the Government against all claims which may be made by third parties in respect of any such injury;
- (vi) the lessee shall not cut or injure any tree reserved in the lease;
- (vii) neither the lessee nor any person claiming through or under him shall assign the lease, or transfer any right or interest thereunder, or underlet the whole or any portion of the premises comprised in such lease, without the assent of the Local Government first had and obtained;
- (viii) the lessee shall commence operations within two years from the date of the execution of the lease, and shall thereafter carry them on effectually in a proper, skilful, and mining-like manner unless prevented by unavoidable cause;
- (ix) the lessee shall keep correct accounts showing the quantity and particulars of all minerals obtained from the mine and the number of persons employed therein, and also complete plans of the mine, and shall allow any officer authorised by the Local Government in that behalf at any time to examine such accounts and plans, and shall furnish the Local Government with such information and returns in respect of the aforesaid matter as it may prescribe;
- (x) the lessee shall allow any officer authorised by the Local Government in that behalf to enter upon the premises comprised in the lease for the purpose of inspecting the same;
- (xi) the lessee shall without delay send to the Collector a report of any accident which may occur at or in the said premises, and also the finding therein of any mineral not specified in the lease;
- (xii) should the royalty or rent reserved or made payable by the lease be not paid within two months next after the date fixed in the lease for the payment of the same, the Local Government may enter upon the said premises and detain all or any of the minerals or moveable property therein, and may carry away or detain them until the rent or royalty due and all costs and expenses occasioned by the non-payment thereof shall be fully paid; and, if any royalty or rent remain at any time unpaid for six calendar months after the date on which it is due, the Local Government may determine the lease and take possession of the premises comprised therein;
- (xiii) in case of any breach on the part of the lessee of any covenant or condition contained in the lease, the Local Government may determine the lease and take possession of the said premises;
- (xiv) at the end or sooner determination of the lease, the lessee shall deliver up the said premises and all mines (if any) dug therein in a proper and workmanlike state, save in respect of any working as to which the Local Government may have sanctioned abandonment;
- (xv) should any question or dispute arise regarding the lease or any matter or thing connected with the mines and minerals leased, or the working or non-working thereof, or the amount or payment of the royalty or rent-reserved or made payable by the lease, the matter in difference shall be decided by the Local Government, whose decision thereon shall be final.

23. No lease of a mine of precious stones shall be granted except by the Governor-General in Council. The procedure for obtaining and the conditions of such lease shall be those prescribed by Rules 17 to 22, read as if the Governor-General in Council were substituted for the Local Government.

General Provisions as to Licenses and Leases.

24. (1) All operations conducted under the authority of these rules within a reserved forest shall be subject to such conditions as the Local Government may by general or special order from time to time prescribe.

(2) It shall be a condition of every license granted under these rules that, before the commencement of exploration or prospecting (as the case may be) within a reserved forest, notice shall be given to the District Forest Officer of the intention to commence operations, and that the operation shall be conducted subject to any conditions regarding the use of fire that he may prescribe.

* Note.—All information and returns obtained or furnished under this clause shall be treated as strictly confidential.

(3) Every mining lease which includes any portion of a reserved forest shall, if it authorises the lessee to fell timber for mining purposes, specify the area within which, or the quantity up to which, and the terms and conditions upon which, he may exercise that authority.

25. Should the applicant for a prospecting license or mining lease desire the Collector to prepare for him the sketch required by Rule 11 (2) (b) or the map required by Rule 18 (c), or should the sketch or map presented by the applicant be insufficient, the Collector may prepare the sketch or map required, and may, if he so order, recover the cost from the applicant at a rate not exceeding 4 annas per acre. If the Local Government has prepared a map of a tract of country specially for the convenience of intending applicants for licenses and leases under these rules, and if any applicant makes use of such map for the sketch or map aforesaid, it will be open to the Local Government to recover as above such share of the cost of preparing the map as it may consider to be equitably due from such applicant.

26. If a license or lease is not executed within six months after leave has been granted for it, the right of the applicant to such license or lease shall be held to have lapsed, unless the Local Government for special reasons consents to grant the same notwithstanding the delay.

SCHEDULE A.

(*Vide* No. 19 of Rules.)

Maximum area in square miles for mining-lease—

Five years for mining lease—									
Coal	..	..	..	..	..	..	..	..	..
Oil ..	..	..	..	..	..	..	..	..	..
Gold or silver	..	..	..	..	..	..	..	..	2
Metals	..	..	..	..	..	..	..	..	1
Precious stones	..	..	..	..	..	..	..	..	1
	..	..	..	..	..	..	..	..	1

* Will be decided by the Government.

* Will be decided by the Government of India in each case on its merits.

SCHEDULE B.

(Vide Nos. 15 (ii), 22 (ii), and 22 (iii) of Rules.)

		Rules. 15 (i), 22 (ii), and 22 (iii) of Rules.)	
		Prospecting.	Mining.
			Surface rent per acre.
			Dead rent per acre (minimum)..
Rent charged for—			
Coal	..	A moderate rent not exceeding one rupee per acre.	The rent rate assessable under the revenue or rent law of the Province; or, if no such rent is so assessable, the rate which may be fixed by agreement, subject to a maximum of one rupee.
Oil	..		
Gold or silver	..		
Iron	..		
Other metals	..		
			4 annas. 1 rupee. 1 rupee. 1 anna. 1 rupee.

SCHEDULE C.

(Vide Nos. 15 (iii) and 22 (i) of Rules.)

Royalty—

Prospecting and Mining.

Coal, exclusive of dust and coal used on the works.	1 anna per ton.
Oil	8 annas per 40 gallons or 5 per cent. <i>ad valorem</i> on gross value.
Gold or silver	7½ per cent. on the net profits of each year taken separately.
Iron	½ anna per ton of ironstone.
Copper, tin, lead, or other metals	2½ per cent. on the sale value at the pit's mouth or on the surface, of the dressed ore or metal, convertible at the option of the lessee to an equivalent charge per ton to be fixed annually or for a term.
Precious stones	30 per cent. on the net profits of each year taken separately.

Order.—Ordered that a copy of this Resolution be forwarded to all Local Governments and Administrations for information and guidance, and that a copy be forwarded to all departments of the Government of India, to the Director, Geological Survey of India, and to the Inspector-General of Forests, for information.

Ordered, also, that the Resolution be published in the supplement to the *Gazette of India* for general information.

To the Secretary to the Government of Madras.

ORDER—No. 375, Revenue, dated 15th June 1899.

ORDER—No. 375, Revenue, dated 15th June 1899.

Miscellaneous.

Communicated to the Board of Revenue for information and guidance. The Board should revise its Standing Order No. 15 (new edition) and the rules for the mining of mica in the Nellore district with reference to the new rules now issued by the Government of India, and submit the revised drafts for the approval of the Government.

It is requested to report fully its views on the question referred to by the above.

2. The Board is requested to report fully its views on the question referred to by the Government of India in paragraph 9 of its circular letter read above.

(True Extract.)

(Signed) N. E. MARJORIBANKS,
Ag. Secretary to Government.

To the Board of Revenue (Land Revenue).
Copy to the Board of Revenue (Revenue Settlement,
Land Records and Agriculture).

Exd. Shaik Karim.