

**LIMESTONE AND DOLOMITE MINES LABOUR WELFARE FUND
ACT, 1972**

62 of 1972

[2nd December, 1972]

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Welfare measures to ameliorate the living conditions of the labour employed in the limestone and dolomite muling industry are not generally satisfactory. Statutory Welfare Funds exist for mica, coal and iron ore mining industries, such Funds having been established under the Mica Mines Labour Welfare Fund Act, 1946; The Coal Mines Labour Welfare Fund Act, 1947 and the Iron Ore Mines Labour Welfare Cess Act, 1961, respectively. In order to provide welfare measures for the labour employed in the limestone and dolomite mining industry also, it is proposed to establish a Welfare

Fund in relation to that industry. For this purpose it is proposed to levy, as a cess, a duty of excise on so much of limestone or dolomite produced in any mine as is sold or otherwise disposed of to the occupier of any factory or as is used by the owner of such mine for any purpose in connection with the manufacture of cement, iron or steel. The rate of cess will be such rate not exceeding one rupee per metric tonne of limestone or dolomite as the Government may, from time to time, fix. 2. The proposed Fund is intended to supplement and not to supplement the efforts of the employers of the State Governments to ameliorate the living conditions of the labour employed in limestone or dolomite mining industry. 3. It is proposed to administer the Fund in consultation with an Advisory Committee which, to begin with, will be set up in each of the major limestone and dolomite producing States power is being taken by the Central Government to set up a Central Advisory Committee to co-ordinate the activities of the state Advisory Committees and to ensure their effective functioning. 4. The Bill is mainly designed to achieve the above objectives.- Gaz. of India, 29-8-1972, Pt. II, S. 2(i) Bxt. (M) 7. Amending Act 70 of 1982-The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972, was enacted with a view to ameliorating the living conditions of labour employed in limestone and dolomite mines. It provides for the levy and collection of a cess on limestone and dolomite consumed in factories and for the crediting of the proceeds of the cess, after due appropriation, to the Limestone and Dolomite Mines Labour Welfare Fund. The Act also provides for the application of the said Fund for meeting the expenditure in connection with welfare measures undertaken for the benefit of workers engaged in limestone and dolomite mines. 2. The 1972 Act does not define the expression "limestone". To secure that minerals like lime-shell, calcareous sand and sea sand essentially composed of lime-shell, marl, kankar or lime kankar which are similar in composition to limestone are also treated as limestone for the purposes of the Act, it is proposed to include a definition of limestone in the Act (clause 2 of the Bill). 3. In an appeal under the rules made under the Act, the view has been taken that an owner of a mine who uses the limestone or dolomite produced in the mine would be liable for payment of duty under the Act only when such limestone or dolomite is used in connection with the manufacture of cement, iron or steel. The Act has all along been administered on the basis that the duty is leviable not only when the owner uses the limestone or dolomite for the manufacture of

cement, iron or steel, but also when he uses it for other purposes, such as, manufacture of ferro-alloys alloy steels, chemicals, sugar, paper, fertilizers, refractories and iron ore pelletisation. It is, therefore, proposed to amend Ss. 3 and 4 of the Act suitably to bring out this intention clearly and to validate levies made in the past in accordance with this intention (clauses 3, 4 and 8 of the Bill). 4. The other amendments proposed in the Bill, which are of a minor nature, are as follows:- (a) a provision is being included to enable the Advisory Committees under the Act to co-opt members (clause 5 of the Bill); (b) the power to make inspections under the Act, which at present can be exercised only by Inspectors and Welfare Administrators under the Act, is proposed to be conferred on the Welfare Commissioners under the Act who rank above Welfare Administrators (Clause 6 of Bill); (c) with a view to keeping track of the mode of disposal of minerals, provision is being made to enable the Central Government to make rules for collection of statistical information from purchasing agents and stockists of limestone and dolomite (clause 7(b) of the Bill). 5. The Bill seeks to achieve the above objects - Gaz. of India, 5-3-1982, Pt. II, S. 2, Ext., p. 142.

1. Short title, extent and commencement :-

(1) This Act may be called the Limestone and Dolomite Mines Labour Welfare Fund Act, 1972.

(2) It extends to the whole of India.

(3) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different States.

1. 1-12-1973 has been so notified-See G.S.R. 1272 published in Gaz. of Ind., 24-11-1973, Pt. II, S. 3(i), p. 2248.

2. Definitions :-

In this Act, unless the context otherwise requires,-

(a) "agent" and "owner" have the meanings respectively assigned to them in clauses (c) and (1) of sub-section (1) of Section 2 of the Mines Act, 1952 ;

(b) "factory" and "occupier" have the meanings respectively assigned to them in clauses (m) and (n) of Section 2 of the Factories Act, 1948 ;¹ [(bb) "Limestone" includes minerals like lime-shell, calcareous sand and sea sand essentially composed of

lime shell, marl, kankar. or lime kankar;]

(c) "manager" means the manager referred to in Section 17 of the Mines Act, 1952 ;

(d) a person is said to be employed in a limestone or dolomite mine,-

(1) if he is employed within the premises or in the vicinity of such mine by the owner, agent or manager of such mine or by a contractor or any other agency exclusively in any one or more of the following, namely:-

(i) any limestone or dolomite mining operation;

(ii) the operation, servicing, maintenance or repair of any machinery or any part thereof used in or about such mine;

(iii) the loading, unloading or despatch of limestone or dolomite or any other material connected with the mining of limestone or dolomite;

(iv) any work in any office, canteen or creche situate within the precincts of such mine;

(v) any welfare, health, sanitary or conservancy services or any, watch and ward duties at any place situate within such premises or vicinity, not being a place occupied by any residential building; or

(2) If, in any such area as may be notified by the Central Government in the Official Gazette in this behalf, he is employed by the owner, agent or manager of such mine or by a contractor or any other agency exclusively in the loading, unloading or despatch of limestone or dolomite or any other material connected with the mining of limestone or dolomite;

(e) "prescribed" means prescribed by rules made under this Act.

1. Inserted by the Limestone and Dolomite Mines Labour Welfare Fund (Amendment) Act 70 of 1972, S. 2 (13-11-1982).

3. Levy and collection of cess on limestone and dolomite :-

With effect from such date¹as the Central Government may, by notification in the Official Gazette, appoint, there shall be levied and collected as.a cess for the purposes of this Act on so much of limestone and dolomite produced in any mine-

(i) as is sold or otherwise disposed of to the occupier of any

factory; or

(ii) as is used by the owner of such mine for any purpose in connection with the manufacture of cement, ² [iron, steel, ferro-alloys, alloy steels, chemicals sugar, paper, fertilizers, refractories, iron ore, pelletisation or such other article or goods or class of articles or goods, as the Central Government may, from time to time, specify by notification, in the Official Gazette,] ; a duty of excise, at such rate not exceeding one rupee per metric tonne of limestone or dolomite, as the case may be, as the Central Government may, from time to time, fix by notification in the Official Gazette.

1. With effect from 1-12-1973 a duty of excise at 20 paise per metric tonne has been levied-See G.S.R. 1274, published in Gaz. of ind. 1973, Pt. II, S. 3(i), p. 2282-See also Gaz. of ind., 22-4-88, Pt. II, S. 3(i), Ext., p. 2 (No. 216), wherein a duty of excise at 50 paise per metric tonne levied.

2. Substituted and deemed always to have been so substituted for the words 'iron or steel' by the Limestone and Dolomite Mines Labour Welfare Fund (Amendment) Act, 1982 (70 of 1982), S. 3(a).

4. Payment of duty of excise :-

(1) Every duty of excise leviable under this Act on limestone or dolomite shall be payable,-

(a) to the occupier of the factory, by the person by whom such limestone or dolomite is sold or otherwise disposed of to such occupier;

(b) to the Central Government, by the owner of the limestone or dolomite mine where the limestone or dolomite is used by such owner for any purpose in connection with the manufacture of ¹ [any article or goods referred to in or specified under clause (ii) of section 3], within such period as may be prescribed;

(2) All amounts referred to in clause (a) of sub-section (1) shall be collected by the occupier of the factory in such manner, and paid by him to the Central Government within such period, as may be prescribed.

1. Substituted and deemed always to have been so substituted by the Limestone and Dolomite Mines Labour Welfare Fund (Amendment) Act, 1982 (70 of 1982), S. 4.

5. Application of proceeds of duty of excise :-

(1) An amount equivalent to the proceeds of the duty of excise levied under this Act, reduced by the cost of collection as determined by the Central Govt. together with any income from investment of the said amount and any other moneys received by the Central Government for the purposes of this Act, shall, after due appropriation made by Parliament by law, be paid to the credit of a fund to be called the Limestone and Dolomite Labour Welfare Fund (hereinafter referred to as the Fund).

(2) The Fund shall be applied by the Central Government to meet the expenditure incurred in connection with measures which, in the opinion of that Government, are necessary or expedient to promote the welfare of persons employed in the limestone or dolomite mines; and in particular-

(a) to defray the cost of measures for the benefit of persons employed in the limestone or dolomite mines directed towards-

(i) the improvement of public health and sanitation, the prevention of disease and the provision and improvement of medical facilities;

(ii) the provision and improvement of water supplies and facilities for washing;

(iii) the provision and improvement of educational facilities; and

(iv) the improvement of standards of living including housing and nutrition, the amelioration of social conditions and the provision of recreational facilities;

1 [(v) the provisions of family welfare, including family planning education and services;]

(b) to grant loan or subsidy to a State Government, a local authority or the owner of a limestone or dolomite mine, in aid of any scheme approved by the Central Government for any purpose connected with the welfare of persons employed in limestone or dolomite mines;

(c) to pay annually grants-in-aid to such of the owners of limestone or dolomite mines who provide to the satisfaction of the Central Government welfare facilities of the prescribed standard for the benefit of person employed in their mines, so, however, that the amount payable as grants-in-aid to any such owner shall not exceed-

(i) the amount spent by him in the provision of welfare facilities as determined by the Central Government or any person specified by it in this behalf, or

(ii) such amount as may be prescribed, whichever is less : Provided that no grant-in-aid shall be payable in respect of any welfare facilities provided by the owner of a limestone or dolomite mine where the amount spent thereon determined as aforesaid is less than the amount prescribed in this behalf;

(d) to meet the allowances, if any, of the members of the Advisory Committees and the Central Advisory Committee constituted under section 6 and rule 7 respectively and the salaries and allowances, if any, of persons appointed under section 8 ;

(e) any other expenditure which the Central Government may direct to be defrayed from the Fund.

1. Inserted by Labour Fund Laws (Amendment) Act (15 of 1987), S. 3 (22-5-87).

6. Advisory Committees :-

(1) The Central Government may constitute as many Advisory Committees as it thinks fit, but not exceeding one for each of the principal limestone or dolomite producing States, to advise the Central Government on such matters arising out of the administration of this Act as may be referred to it by that Government, including matters relating to the application of the Fund.

(2) Each Advisory Committee shall consist of such number of persons as may be appointed to it by the Central Government and the members shall be chosen in such manner as may be prescribed: Provided that each Advisory Committee shall include an equal number of members representing the Government, the owners of limestone and dolomite mines and the persons employed in the limestone and dolomite mines and that at least one member of each such Committee shall be a woman.

(3) The Chairman of each Advisory Committee shall be appointed' by the Central Government.

(4) The Central Government shall publish in the Official Gazette the names of all members of every Advisory Committee.

7. Central Advisory Committee :-

(1) The Central Government may constitute a Central Advisory Committee to co-ordinate the work of the Advisory Committees constituted under section 6 and to advise the Central Government on any matter arising out of the administration of this Act.

(2) The Central Advisory Committee shall consist of such number of persons as may be appointed to it by the Central Government and the members shall be chosen in such manner as may be prescribed: Provided that the Central Advisory Committee shall include an equal number of members representing the Government, the owners of limestone and dolomite mines and the persons employed in the limestone and dolomite mines.

(3) The Chairman of the Central Advisory Committee shall be appointed by the Central Government.

(4) The Central Government shall publish in the Official Gazette the names of all members of the Central Advisory Committee.

7A. Power to co-opt, etc :-

(1) An Advisory Committee or the Central Advisory Committee may, at any time and for such period as it thinks fit, co-opt any person or persons to the Committee.

(2) A person co-opted under sub-section (1) to a Committee shall exercise and discharge all the powers and functions of a member thereof, but shall not be entitled to vote.]

8. Appointment of Inspectors, etc. and their powers :-

(1) The Central Government may appoint as many ¹[Welfare Commissioners, Welfare Administrators, Inspectors] and such other officers and staff as it thinks necessary for the purposes of this Act.

(2) Every person so appointed shall be deemed to be a public servant within the meaning of Section 21 of the Indian Penal Code, 1860 .

(3) ² [Any Welfare Commissioner, Welfare Administrator or Inspector] may,-

(a) with such assistance, if any, as he may think fit, enter at any reasonable time any place which he considers it necessary to enter for carrying out the purposes of this Act.

(b) do within such place anything necessary for the proper

discharge of his duties; and

(c) exercise such other powers as may be prescribed.

1. Substituted for the words "Inspectors, Welfare Administrators" by the Limestone and Dolomite Mines Labour Welfare Fund (Amendment) Act, 1982 (70 of 1982), S. 6 (13-1 1-1982).

2. Substituted for the words "Any Inspector or Welfare Administrator", the Limestone and Dolomite Mines Labour Welfare Fund (Amendment) Act, 1982.

9. Power of Central Government to exempt :-

Notwithstanding anything contained in this Act, if the Central Government is satisfied that there is in force in any State or part thereof a law making adequate provision for the financing of activities to promote the welfare of persons employed in the limestone or dolomite mines, it may, by notification in the Official Gazette, direct that all or any of the provisions of this Act shall not apply or shall apply to such State or part thereof subject to such exceptions and modifications as may be specified in the notification.

10. Annual report of activities financed under the Act :-

The Central Government shall, as soon as may be, after the end of each financial year cause to be published in the Official Gazette a report giving an account of its activities financed under this Act during the previous financial year, together with a statement of accounts.

11. Interest payable by occupiers of factories and owners of mines :-

If any occupier of a factory or any owner of a limestone or dolomite mine fails to pay any amount payable by him to the Central Government under section 4 within the period prescribed therefor under that section, such occupier or owner, as the case may be, shall be liable to pay simple interest at twelve per cent, per annum on the amount to be paid, from the date on which such payment is due till such amount is actually paid.

12. Penalty for non-payment of duty of excise within the prescribed period :-

If any duty of excise payable by the occupier of the factory or the owner of the limestone or dolomite mine to the Central Government under section 4 is not paid to that Government within the period prescribed thereunder, it shall be deemed to be in arrears and the authority prescribed in this behalf may, after such inquiry as it deems fit, impose on the occupier of the factory or, as the case

may be, on the owner of the limestone or dolomite mine a penalty not exceeding the amount of duty of excise in arrears: Provided that before imposing any such penalty such occupier or such owner, as the case may be, shall be given a reasonable opportunity of being heard and, if after such hearing the said authority is satisfied that the default was for any good and sufficient reason, no penalty shall be imposed under this section.

13. Recovery of amounts due under the Act :-

Any amount due under this Act (including the interest or penalty, if any, payable under section 11 or section 12 , as the case may be from any occupier of a factory or any owner of a limestone or dolomite mine may be recovered by the Central Government in the same manner as an arrear of land revenue.

14. Penalty for evasion of duty of excise :-

(1) Whoever wilfully or intentionally evades or attempts to evade the payment of duty of excise payable by him to the Central Government under this Act, shall on conviction, be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(2) No court shall take cognizance of an offence punishable under this section, save on a complaint made by or under the authority of the Central Government.

15. Offences by companies :-

(1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly: Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has. been committed with the consent or connivance of, or is attributable to any neglect on the part of; any director, manager, secretary or other officer of the company,

such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly. '

16. Power to make rules :-

(1) The Central Government may, by notification in the Official Gazette and subject to the condition of previous publication, make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for-

(a) the assessment and collection of the duty of excise levied under this Act;

(b) the period within which the person selling or otherwise disposing of the limestone or dolomite to the occupier of the factory shall pay the duty of excise to such occupier;

(c) the period within which the owner of the limestone or dolomite mine shall pay the duty of excise to the Central Government;

(d) the manner in which the occupier of the factory 'shall collect the duty of excise;

(e) the period within which the occupier of the factory shall pay to the Central Government the duty of excise collected by him;

(f) the determination of the cost of collection of the duty of excise, levied under this Act;

(g) the manner in which the Fund may be applied for the measures specified in section 5 ;

(h) the conditions governing the grant of loan or subsidy under clause (b) of sub-section (2) of section 5 ;

(i) the standard of welfare facilities to be provided by owners of limestone or dolomite mines for the purposes of clause (c) of sub-section (2) of section 5 ;

(j) the determination of the amounts referred to in sub-clause (ii) of clause (c) of sub-section (2) of section 5 and in the proviso to that clause;

(k) the composition of the Advisory Committees and the Central Advisory Committee constituted under section 6 and rule 7

respectively, the manner in which the members thereof shall be chosen, the term of office of such members, the allowances, if any, payable to them, and ,the manner in which the said Advisory Committees and the Central Advisory Committee shall conduct their business;

(l) the recruitment, conditions of service and the duties of all persons appointed under section 8 ;

(m) the powers that may be exercised by ¹[a Welfare Commissioner or a Welfare Administrator or an Inspector] under section 8 ;

(n) the furnishing to the Central Government by the occupier of factories ² [the purchasing agents or stockists of limestone or dolomite] and the owners, agents or managers of limestone or dolomite mines, of such statistical and other information as may be required to be furnished from time to time by the Governments;

(o) the authority which may impose any penalty under section 12 .

(3) In making any rule under clause (b) or clause (n) of sub-section (2) the Central Government may direct that a breach thereof shall be punishable with fine which may extend to five hundred rupees.

(4) Every rule made under this section shall be laid, as soon as may be after it is made before each House of Parliament, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if before the expiry of the session immediately following the session or the successive sessions aforesaid both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

1. Substituted for the words "an Inspector or a Welfare Administrator" by the Limestone and Dolomite Mines Labour Welfare Fund (Amendment) Act, 1982 (70 of 1982), S.7(a) (13-11-1982).

2. Inserted the Limestone and Dolomite Mines Labour Welfare Fund (Amendment) Act, 1982, S. 7(b).