

**Petroleum And Mineral Pipelines (Acquisition Of Right Of  
User In Land) Act, 1962**

**50 of 1962**

**[07 December 1962]**

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As a result of the implementation of plans for the development of petroleum resources in the country, it is anticipated that in the next few years there will be a substantial increase in the production of crude oil, natural gas and petroleum products by the public sector oilfields and refineries in India. It has therefore become necessary to lay petroleum pipelines in the country to serve as an efficient and cheap means of transportation and distribution of petroleum and petroleum products. 2. Although land can be acquired outright

for laying such pipelines under Land Acquisition Act, 1894 the procedure for such acquisition is long-drawn and costly. Since the petroleum pipelines will be laid underground outright acquisition of land is not necessary. Therefore, in the case of these pipelines it is considered sufficient to acquire the mere right of user in the land for laying and maintaining the pipelines. The Bill seeks to achieve the above purpose. 3. The main features of the Bill are- (i) No right of user of land can be acquired for the purpose of laying pipelines unless the Central Government declares its intention by notification in the Official Gazette, and unless objections, if any, filed within twenty- one days of that notification are disposed of by the competent authority. (ii) When final declaration about acquisition is made the right to use land for the purpose of laying pipelines will vest in the Central Government. State Government or the corporation, as the case may be but notwithstanding such acquisition, the owner or occupier of the land 'shall be entitled to use the land for the purpose for which such land was put to use immediately before the declaration by the Central Government. But after the date of acquisition he shall not construct any building or any other structure or construct or excavate any tank, well, reservoir or dam or plant any tree, on that land. (iii) Compensation for the damage, loss or injury sustained by any person interested in the land shall be payable to such person. Besides this, compensation calculated at ten per cent of the market value of the land on the date of the preliminary notification is also payable to the owner and to any other person whose right of enjoyment in the land has been affected by reason of the acquisition. The compensation in both cases is to be determined by the competent authority in the first instance and an appeal lies from its decision to the District Judge.-Gaz. of Ind., 12-11-1962, Pt. II, S. 2, Ext.. p. 815. .Amending Act 13 of 1977

The Petroleum Pipelines (Acquisition of Right of user in Land) Act, 1962, was enacted to empower the Central Government to acquire the right of user in any land if it appears to that Government that it is necessary, in the public interest to lay pipelines under such land for the transport of petroleum (which is defined to include natural gas and refinery gas) from one locality to another. When the legislation was enacted, petroleum (including natural gas and refinery gas) was the only commodity for which transportation through pipelines was contemplated. Technological advance has since made it possible to transport in bulk mineral (besides petroleum) through pipelines. It is therefore proposed to amend the Act to enable the acquisition of

the right of user in land also for laying pipelines for the transport of minerals (besides petroleum) from one place to another. 2. The Act provides for punishment for the construction or excavation of any building or other structure tank, well, reservoir or dam or for planting of any tree on any land, the right of user in relation to which has been acquired under the Act, but does not provide for the removal of such building, structure etc. from the land. Accordingly the Bill seeks to empower the Court of the District Judge, within the local limits of whose jurisdiction such land is situated, to cause the building, structure, reservoir, dam or tree to be removed or the well or tank to be filled up. 3. The Bill also seeks to empower the competent authority to make different reports and further seeks to empower the Central Government to make different declarations acquiring the right of user. in respect of different parcels of land. 4. Opportunity has been taken to empower the Central Government (a) to authorise different persons to perform all or any functions of the competent authority in the same area or in different areas, and (b) to modify the rule laying formula contained in sub-section (3) of section 17 with a view to bringing it into accord with the recommendation of the Committee on Subordinate Legislation.-S.O.R. Gaz. of Ind. 4-4-1977, Pt. II, S. 2, Ext., p. 78.

### **1. Short title, extent and application :-**

(1) This Act may be called the 1[Petroleum and Minerals Pipelines] (Acquisition of Right of User in Land) Act, 1962.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It applies in the first instance to the whole of the States of West Bengal, Bihar, Uttar Pradesh and Gujarat and the Union territory of Delhi, and the Central Government may, by notification<sup>2</sup> in the Official Gazette, declare that this Act shall also apply to such other State or Union territory and with effect from such date as may be specified in that notification and thereupon the provisions of this Act shall apply to that State or Union territory accordingly.

1. Substituted for the words "Petroleum Pipelines" by the Petroleum Pipelines (Acquisition of Right of User in Land) Amendment Act, 1977 (13 of 1977), S. 3 (w.r.e.f. 3-2-1977).

2. The Act has been extended to the States of Assam, Kerala, Madhya Pradesh, Maharashtra, Mysore and Rajasthan w.e.f. 12-6-

1963-See S.O. 1689, Gaz. of Ind., 22-6-1963, Pt. II, S.3(ii), p. 1945; to the State of Punjab w.e.f. 16-8-1963 - Gaz. of Ind., 24-8-1963; Pt.II, S. 3(ii), p. 2799; States of Orissa, Andhra Pradesh and Tamil Nadu (Madras) w.e.f. 15-3-1964, by S.O. 987, Gaz. of Ind., 21-3-1964, Pt. II, S. 3 (ii), p. 1214. Act extended to U.T. of Pondicherry w.e.f. 1-1-93 - See Gaz. of Ind., 16-2-93, Pt.11, S. 3(ii), Ext., p. 2 (No. 95).

## **2. Definitions :-**

In this Act, unless the context otherwise requires,-

(a) "competent authority" means any person or authority authorised by the Central Government by notification in the Official Gazette, to perform the functions of the competent authority under this Act 1 [and different persons or authorities may be authorised to perform all or any of the functions of the competent authority under this Act in the same area or different areas specified in the notification];

(b) "corporation" means any body corporate established under any Central, Provincial or State Act, and includes-

(i) a company formed and registered under Companies Act, 1956 ;  
and

(ii) a company formed and registered under any law relating to companies formerly in force in any part of India:

1 [(ba) "minerals" have the meanings assigned to them in Mines Act, 1952 , and include mineral oils and stowing sand but do not include petroleum.]

(c) "petroleum" has the same meaning as in Petroleum Act, 1934 , and includes natural gas and refinery gas;

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

1. Inserted by the Petroleum Pipelines (Acquisition of Right of User in Land) Amendment Act, 1977 (13 of 1977), S.4(.w.r.e.f.3-2-1977).

## **3. Publication of notification for acquisition :-**

(1) Whenever it appears to the Central Government that it is necessary in the public interest that for the transport of petroleum 1 [of any minerals] from one locality to another locality pipelines may be laid by that Government or by any State Government or a Corporation and that for the purpose of laying such pipelines it is necessary to acquire the right of user in any land under which such pipelines may be laid, it may, by notification in the Official Gazette,

declare its intention to acquire the right of user therein.

(2) Every notification under sub-section (1) shall give a brief description of the land.

(3) The competent authority shall cause the substance of the notification to be published at such places and in such manner as may be prescribed.

1. Inserted by the Petroleum Pipelines (Acquisition of Right of User in Land) Amendment Act, 1977 ( 13 of 1977), section 5 (w.r.e.f. 3-2-1977).

#### **4. Power to enter, survey, etc :-**

On the issue of a notification under sub-section (1) of section 3 , it shall be lawful for any person authorised by the Central Government or by the State Government or the corporation which proposes to lay pipelines for transporting petroleum 1 [or any mineral], and his servants and workmen-

(a) to enter upon and survey and take levels of any land specified in the notification;

(b) to dig or bore into the sub-soil;

(c) to set out the intended line of work;

(d) to mark such levels, boundaries and line by placing marks and cutting trenches;

(e) where otherwise survey cannot be completed and levels taken and the boundaries and line marked, to cut down and clear away any part of any standing crop, fence or jungle; and

(f) to do all other acts necessary to ascertain whether pipelines can be laid under the land : Provided that while exercising any power under this section, such person or any servant or workman of such person shall cause as little damage or injury as possible to such land.

1. Inserted by the Petroleum Pipelines (Acquisition of Right of User in Land) Amendment Act, 1977(13 of 1977), section 6 (w.r.e.f. 3-2-1977).

#### **5. Hearing of objections :-**

(1) Any person interested in the land may, within twenty-one days from the date of the notification under sub-section (1) of section 3 , object to the laying of the pipelines under the land.

(2) Every objection under sub-section (1) shall be made to the competent authority in writing and shall set out the grounds thereof and the competent authority shall give the objector an

opportunity of being heard either in person or by a legal practitioner and may, after hearing all such objections and after making such further inquiry, if any, as that authority thinks necessary, by order either allow or disallow the objections.

(3) Any order made by the competent authority under sub-section (2) shall be final.

## **6. Declaration of acquisition of right of user :-**

(1) Where no objections under sub-section (1) of section 5 have been made to the competent authority within the period specified therein or where the competent authority has disallowed the objections under sub-section (2) of that section, that authority shall, as soon as may be, 1[either make a report in respect of the land described in the notification under sub-section ( 1 ) of section 3 , or make different reports in respect of different parcels of such land, to the Central Government containing his recommendations on the objections, together with the record of the proceedings held by him, for the decision of that Government] and upon receipt of such report the Central Government shall 2[, if satisfied that such land is required for laying any pipeline for the transport of petroleum or any mineral,] declare, by notification in the Official Gazette, that the right of user in the land for laying the pipelines should be acquired land different declarations may be made from time to time in respect of different parcels of the land described in the notification issued under sub-section ( 1 ) of section 3 , irrespective of whether one report or different reports have been made by the competent authority under this section].

(2) On the publication of the declaration under sub-section (1), the right of user 3[in the land specified therein] shall vest absolutely in the Central Government free from all encumbrances.

(3) Where in respect of any land, a notification has been issued under sub-section (1) of section 3 but 4[no declaration in respect of any parcel of land covered by that notification has been published under this section] within a period of one year from the date of that notification, that notification shall cease to have effect on the expiration of that period.

2 [(3A) No declaration in respect of any land covered by a notification issued under sub-section ( 1 ) of section 3 , published after the commencement of the Petroleum Pipelines (Acquisition of Right of User in Land) Amendment Act, 1977, shall be made after the expiry of three years from the date of such publication.]

(4) Notwithstanding anything contained in sub-section (2), the Central Government may, on such terms and conditions as it may think fit to impose, direct by order in writing, that the right of user of the land for laying the pipelines shall, instead of vesting in the Central Government vest, either on the date of publication of the declaration or, on such other date as may be specified in the direction, in the State Government or the corporation proposing to lay the pipelines and thereupon the right of such user in the land shall, subject to the terms and conditions so imposed, vest in that State Government or corporation, as the case may be, free from all encumbrances.

1. Substituted for the words "submit a report accordingly to the Central .Government", by the Petroleum Pipelines (Acquisition of Right of User in Land) Amendment Act, 1977 (13 of 1977), section 7 (w.r.e.f. 3-2-1977).

2. Substituted for the words "submit a report accordingly to the Central .Government", by the Petroleum Pipelines (Acquisition of Right of User in Land) Amendment Act, 1977 (13 of 1977), section 7 (w.r.e.f. 3-2-1977).

3. Substituted for the words "submit a report accordingly to the Central .Government", by the Petroleum Pipelines (Acquisition of Right of User in Land) Amendment Act, 1977(13 of 1977), section 7 (w.r.e.f. 3-2-1977).

4. Substituted for the words "submit a report accordingly to the Central .Government", by the Petroleum Pipelines (Acquisition of Right of User in Land) Amendment Act, 1977 (13 of 1977), section 7 (w.r.e.f. 3-2-1977).

## **7. Central Government or State Government or corporation to lay pipelines :-**

(1) Where the right of user in any land has vested in the Central Government or in any State Government or corporation under section 6 -

(i) it shall be lawful for any person authorised by the Central Government or such State Government or corporation, as the case may be, and his servants and workmen to enter upon the land and lay pipelines or to do any other act necessary for the laying of pipelines : Provided that no pipeline shall be laid under--

(a) any land which, immediately before the date of the notification under sub-section (1) of section 3 , was used for residential purposes:

(b) any land on which there stands any permanent structure which was in existence immediately before the said date:

(c) any land which is appurtenant to a dwelling house; or

(d) any land at a depth which is less than one metre from the surface 1[\*]

2 [(ia) for laying pipelines for the transport of petroleum, it shall be lawful for any person authorised by the Central Government or such State Government or corporation to use such land for laying pipelines for transporting any mineral and where the right of user in any land has so vested for laying pipelines for transporting any mineral, it shall be lawful for such person to use such land for laying pipelines for- transporting petroleum or any other mineral; and]

(ii) such land shall be used only for laying the pipelines and for maintaining, examining, repairing, altering or removing any such pipelines or for doing any other act necessary for any of the aforesaid purposes or for the utilisation of such pipelines.

(2) If any dispute arises with regard to any matter referred to in paragraph (b) or paragraph (c) of the proviso to clause (i) of sub section (1), the dispute shall be referred to the competent authority whose decision thereon shall be final.

1. Word "and" omitted by the Petroleum Pipelines (Acquisition of Right of User in Land) Amendment Act, 1977 (13 of 1977), section 8 (w.r.e.f. 3-2-1977).

2. Word "and" omitted by the Petroleum Pipelines (Acquisition of Right of User in Land) Amendment Act, 1977 (13 of 1977), section 8 (w.r.e.f. 3-2-1977).

### **8. Power to enter land for inspection, etc :-**

For maintaining, examining, repairing, altering or removing any pipeline, or for doing any other act necessary for the utilisation of the pipelines or for the making of any inspection or measurement for any of the aforesaid purposes, any person authorised in this behalf by the Central Government, the State Government or the corporation, as the case may be, may, after giving reasonable notice to the occupier of the land under which the pipeline has been laid, enter therein with such workmen and assistants as may be necessary : Provided that where such person is satisfied that an emergency exists, no such notice shall be necessary: Provided further that, while exercising any powers under this section, such person or any workman or assistant of such person, shall cause as

little damage or injury as possible to such land,

### **9. Restrictions regarding the use of land :-**

( 1 ) The owner or occupier of the land with respect to which a declaration has been made under sub-section (1) of section 6 , shall be entitled to use the land for the purpose for which such land was put to use immediately before the date of the notification under sub-section (1) of section 3 : Provided that, such owner or occupier shall not, after the declaration under sub-section (1) of section 6 ,-

- (i) construct any building or any other structure;
- (ii) construct or excavate any link, well, reservoir or dam; or
- (iii) plant any tree, on that land.

,

(2) The owner or occupier of the land under which, any pipeline has been laid shall not do any act or permit any act to be done which will or is likely to cause any damage in any manner whatsoever to the pipeline.

1 [(3) Where the owner or occupier of the land with respect to which a declaration has been made under sub-section ( 1 ) of section 6 ,-

- (a) constructs any building or any other structure, or
- (b) constructs or excavates any well, tank. reservoir or dam, or
- (c) plants any tree. on that land, the Court of the District Judge within the local limits of whose jurisdiction such land is situate may, on an application made to it by the competent authority and after holding such inquiry as it may deem fit cause the building, structure, reservoir, dam or tree to be removed or the well or tank to be filled up, and the costs of such removal or filling up shall be recoverable from such owner or occupier in the same manner as if the order for the recovery of such costs were a decree made by that Court,]

1. Inserted by the Petroleum Pipelines (Acquisition of Right of User in Land) Amendment Act, 1977 (13 of 1977), section 9 (w.r.e.f. 3-2-1977).

### **10. Compensation :-**

(1) Where in the exercise of the powers conferred by section 4 , section 7 or section 8 by any person, any damage, loss or injury is sustained by any person interested in the land under which the pipeline is proposed to be, or is being, or has been laid, the Central

Government, the State Government or the corporation, as the case may be, shall be liable to pay compensation to such person for such damage, loss or injury, the amount of which shall be determined by the competent authority in the first instance.

(2) If the amount of compensation determined by the competent authority under sub-section (1) is not acceptable to either of the parties, the amount of compensation shall, on application by either of the parties to the District Judge within the limits of whose jurisdiction the land or any part thereof is situated, be determined by that District Judge.

(3) The competent authority or the District Judge while determining the compensation under sub-section (1) or sub-section (2), as the case may be, shall have due regard to the damage or loss sustained by any person interested in the land by reason of-

(i) the removal of trees or standing crops, if any, on the land while exercising the powers under section 4 , section 7 or section 8 ;

(ii) the temporary severance of the land under which the pipeline has been laid from other lands belonging to, or in the occupation of, such person; or

(iii) any injury to any other property, whether movable or immovable, or the earnings of such persons caused in any other manner : Provided that in determining the compensation no account shall be taken of any structure or other improvement made in the land after the date of the notification under sub-section (1 ) of section 3 .

(4) Where the right of user of any land has vested in the Central Government, the State Government or the corporation, the Central Government, the State Government or the corporation, as the case may be, shall, in addition to the compensation, if any, payable under sub-section (1), be liable to pay to the owner and to any other person whose right of enjoyment in that land has been affected in any manner whatsoever by reason of such vesting, compensation calculated at ten per cent. of the market value of that land on the date of the notification under sub-section (1) of section 3 .

(5) The market value of the land on the said date shall be determined by the competent authority and if the value so determined by that authority is not acceptable to either of the parties, it shall, on application by either of the parties to the District Judge referred to in sub-section (2), be determined by that District Judge.

(6) The decision of the District Judge under sub-section (2) or sub-

section (5) shall be final.

**11. Deposit and payment of compensation :-**

(1) The amount of compensation determined under section 10 shall be deposited by the Central Government, the State Government or the corporation, as the case may be, with the competent authority within such time and in such manner as may be prescribed.

(2) If the amount of compensation is not deposited within the time prescribed under sub-section (1), the Central Government, the State Government or the corporation, as the case may be, shall be liable to pay interest thereon at the rate of six per cent. per annum from the date on which the compensation had to be deposited till the date of the actual deposit.

(3) As soon as may be after the compensation has been deposited under sub-section (1) the competent authority shall, on behalf of the Central Government, the State Government or the corporation, as the case may be, pay the compensation to the persons entitled thereto.

(4) Where several persons claim to be interested in the amount of compensation deposited under sub-section (1), the competent authority shall determine the persons who in its opinion are entitled to receive the compensation and the amount payable to each of them.

(5) If any dispute arises as to the apportionment of the compensation or any part thereof or as to the persons to whom the same or any part thereof is payable, the competent authority shall refer the dispute to the decision of the District Judge within the limits of whose jurisdiction the land or any part thereof is situated and the decision of the District Judge thereon shall be final.

**12. Competent authority to have certain powers of Civil Courts :-**

The competent authority shall have, for the purposes of this Act. all the powers of a Civil Court while trying a suit under Code of Civil Procedure, 1908 , in respect of the following matters, namely :-

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) requiring the discovery and production of any document;
- (c) reception of evidence on affidavits;
- (d) requisitioning any public record from any court or office;
- (e) issuing commission for examination of witnesses.

### **13. Protection of action taken in good faith :-**

(1) No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done in pursuance of this Act or any rule or notification made or issued thereunder.

(2) No suit or other legal proceeding shall lie against the Central Government, the competent authority or any State Government, or corporation, for any damage, loss or injury caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act or any rule or notification made or issued thereunder.

### **14. Bar of jurisdiction of Civil Courts :-**

Save as otherwise expressly provided in this Act, no Civil Court shall have jurisdiction in respect of any matter which the competent authority is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or proposed to be taken in pursuance of any power conferred by or under this Act.

### **15. Penalty :-**

( 1 ) Whoever wilfully obstructs any person in doing any of the acts authorised by section 4 or section 7 or section 8 or wilfully fills up, destroys, damages or displaces any trench or mark made under section 4 or wilfully does any act prohibited under section 9 , shall be punishable with imprisonment which may extend to six months or with fine or with both.

(2) Whoever wilfully removes, displaces, damages or destroys any pipeline laid under section 7 , shall be punishable with rigorous imprisonment for a term which shall not be less than one year, but which may extend to three years and shall also be liable to fine.

### **16. Certain offence to be cognizable :-**

Notwithstanding anything contained in Code of Criminal Procedure, 1898, an offence falling under sub-section (2) of section 15 shall be deemed to be cognizable within the meaning of that Code.

### **17. Power to make rules :-**

(1) The Central Government may, by notification in the Official

Gazette, make rules 1 for carrying out the 2 [provisions] of this Act.

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

(a) the places at which and the manner in which the substance of the notification may be published under sub-section (3) of section 3 :

(b) the time within which and the manner in which the amount of compensation may be deposited under sub-section ( 1 ) of section 11 .

(3) Every rule made under this Act 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 2 [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. For Petroleum Pipelines Acquisition of Right of User Rules, 1963, see Gazette of India, 13-4-1963, Pt. II, section 3(1), page 662.

2. Substituted for the word "purposes" and the words "before the expiry of the session in which it is so laid or the successive sessions aforesaid", respectively by the Petroleum Pipelines (Acquisition of Right of User in Land) Amendment Act, 1977(13 of 1977), section 10 (w.r.e.f. 3-2-1977).

### **18. Application of other laws not barred :-**

The provisions of this Act shall be in addition to and not in derogation of any other law for the time being in force relating to acquisition of land.