

REGULATION OF MINERALS

MAJOR MINERAL / MINOR MINERAL / ILLEGAL MINING / MINERAL PRODUCTION / MINERAL REVENUE / MINERAL BASED INDUSTRIES

INTRODUCTION : Minerals are classified into two groups, namely (i) Major minerals and (ii) Minor minerals. Amongst these two groups minor mineral have been defined under section 3 (e) of Mines and Minerals (Regulation and development) Act, 1957. They include building stones, gravel, ordinary clay, ordinary sand, limestone used for lime burning, boulders, kankar, murum, brick earth, bentonite, road metal, slate, marble, stones used for making household utensils etc. Therefore, all other minerals not defined as minor minerals in the said Act are treated as major minerals. They include coal, manganese ore, iron ore, bauxite, limestone, kyanite, sillimanite, barites, chromite, silica sand, fluorite, quartz, sand used for stowing purposes in coal mines and many other minerals used for industrial purposes.

Entry 54 of union list – I & Entry 23 of state list – II of seventh schedule of the constitution of India empowers the Union & State Governments respectively for management of minerals.

Grant of mineral concession for major minerals are governed by the Rules and Regulations formulated by Central Government and are therefore same throughout the country.

Rules for grant of concessions of minor minerals are framed by the State Government as per powers delegated under section 15 of Mines and Minerals (Regulation and Development) Act, 1957.

2. MAJOR MIENRAL CONCESSIONS

Mineral concessions for major minerals are granted under the provisions of following Acts and Rules

- (i) Mines and Mineral (Development and Regulation) Act, 1957. (MMDR – Act 1957)
- (ii) Mineral Concession Rules 1960. (MCR – 1960)
- (iii) Mineral Conservation and Development Rules – 1988 (MCDR – 1988)

following types of mineral concessions are granted for major minerals :

- i) Reconnaissance permit
- ii) Prospecting licence
- iii) Mining lease

I) **Grant of Reconnaissance permit** : The areas are being notified by Directorate for grant of mineral concession. Reconnaissance permit means permit granted for the purpose of undertaking reconnaissance operations. An application for reconnaissance permit shall be made to the State Government (Industries Department) through collector of concern district in form "A". Every such application shall be accompanied by

1) Non – refundable fee calculated @ of five rupees per square km.

2) a) A valid clearance certificate in the form prescribed by the State Government for payment of mining dues such as royalty, dead rent or surface rent payable under the act or rules made thereunder

(b) In case if applicant does not hold and has not held a reconnaissance permit, it shall not be necessary for him to produce the said certificate but required to furnish an affidavit to the satisfaction of State Government. (c) In case the applicant is a partnership firm or a private ltd. company such certificate shall be furnished by all persons of partnership firm or as the case

may be all member of private ltd. company.

3) An affidavit stating that the applicant has

i) filed up to date income tax returns

ii) paid the income tax assessed on him and

iii) paid the income tax on the basis of his assessment as provided in the income tax act , 1961 (43 of 1961)

1) An affidavit showing the particulars of areas, mineral wise in the State, which the applicant or any person jointly with him.

i) already holds under a reconnaissance permit

ii) has applied for but not granted

iii) being applied for simultaneously

- 2) Cadastral map showing applied area and detailed statement of the area applied for
- 3) Memorandum and Articles of Association of company/Deed of registration of company and deed of partnership of firm/company.
- 4) Documents showing financial worthines

Maximum area for which reconnaissance permit may be granted : One or more reconnaissance permit covering a total area of ten thousand sq.km. provided that the area granted under a single reconnaissance permit shall not exceed five thousand sq.km.

Period : The period for which a reconnaissance permit may be granted shall not exceed three years. The holder of reconnaissance permit is required to relinquish the area granted under the permit as follows

- a) After completion of two years the area shall be reduced to one thousand sq.km. or fifty percent of the area granted, which ever is less and
- b) The area would be further relinquished so that the permit holder is left with an area not more than twenty five sq.km. at the end of third year. There is no provision for renewal of reconnaissance permit.

II) **Prospecting licence** : Prospecting licence means a licence granted for the purpose of undertaking prospecting operations. An application for grant of prospecting licence is required to be submitted to State Government (Industries Department) through the collector of the concern district in prescribed form “B”. Every such application shall be accompanied by following documents.

1) A non refundable fee calculated in accordance with the provision of schedule – II [a) For first sq.km. or part thereof 250/- Rs. (b) For each additional sq.km. and part thereof fifty Rs.)

2) i) A valid clearance certificate in the form prescribed by the State Government of payment of mining dues.

ii) In case applicant is a partnership firm or a private ltd. company such certificate shall be furnished by all partners and members of firm and company.

iii) furnish an affidavit to the satisfaction of State Government stating that he does not hold and has not held a prospecting licence in such case it will not be necessary for him to produce the said valid clearance certificate.

3) An affidavit stating that the applicant has

i) filed up to date income tax return

ii) paid the income tax assessed on him and

iii) paid the income tax on the basis of self assessment as provided in the income tax act – 1961

4) An affidavit showing particulars of areas mineralwise in the State which the applicant or any person jointly with him

i) already holds under a prospecting licence

ii) has applied for but not granted and

iii) being applied for simultaneously

5) A statement in writing that the applicant has obtained surface rights over the area or has obtained consent of owner for starting prospecting operation where the land is not owned by him.

6) Memorandum and Articles of association of company/Maps of applied area and relevant details of applied area

7) Deed of registration of company and deed of partnership of firm/company

8) Documents with regards to financial worthiness.

Maximum area for which prospecting licence may be granted : One or more prospecting licence covering a total area of not more than 25 sq.km. in a state.

Period : The period for which prospecting licence may be granted shall not exceed three years.

Renewal of prospecting licence : An application for renewal of prospecting licence is required to be made at least 90 days before the expiry of prospecting licence in Form – E . If State Government is satisfied that a longer period is required to enable the licensee to complete

prospecting operations be renewed for such period or periods as government may specify provided that the total period for which prospecting licence is granted does not exceed five years. The licensee has to pay prospecting fee for the area under grant as per rule 14 of MCR – 1960.

III) **Mining lease** : Mining lease means lease granted for the purpose of undertaking mining operations. An application of grant of mining lease is required to be made to the State Government through the collector of the concerned district in a prescribed Form – I . Every such application shall be accompanied by

- 1) A non refundable fee of Rs.two thousand and five hundred .
- 2) A valid clearance certificate in the form prescribed by State Government, of payment of mining dues.
- 3) An affidavit stating that the applicant has
 - i) filed up to date income tax returns
 - ii) paid income tax assessed on him
 - iii) paid income tax on the basis of self assessment.
- 4) An affidavit showing particulars of area mineralwise in the State which applicant or any person jointly with him already holds, has applied for but not granted, being applied for simultaneously.
- 5) Where land is not owned by applicant, obtained surface rights over the area or has obtained the consent of the owner for starting mine (may be furnished after execution of lease deed but before entry in to area)
- 5) Memorandum and Articles of Association of company, deed of partnership in case of company.
- 7) Every application for the grant of a mining lease shall in addition to those specified fee be accompanied by a deposit of one thousand rupees for meeting the preliminary expenses in

connection with the grant of mining lease. Applicant shall deposit such further deposit as may be asked for by the State Government within one month from date of demand of such deposit.

8) Documents with regards to financial worthiness.

Renewal of mining lease : An application for the renewal (1st & 2nd) of mining lease shall be made to the State Government in Form – J at least 12 months before the date on which the lease is due to expire, through collector of concerned district. Every such mining lease application (Renewal) shall be accompanied by mining plan approved by competent authority and documents as required for mining lease application.

Maximum area to be granted under mining leases : One ore more mining leases covering a total area of not more than ten sq.km. in a State.

Periods of mining lease granted or renewal : 1) Maximum period for which mining lease may be granted shall not exceed thirty years. Minimum period for which mining lease granted shall not be less than 20 years.

2) A mining lease may be renewed for a period not exceeding twenty years in each case (1st & 2nd renewal)

Scrutiny of applications for grant of reconnaissance permit prospecting licence and mining lease : After receipt of the application for grant of reconnaissance permit prospecting licence or mining lease in Collector's office on the basis of notification issued by Directorate in triplicate one copy of the same application is forwarded to the, Industries, Energy and Labour Department, Government of Maharashtra, Mumbai and another to the Directorate of Geology and Mining, Government of Maharashtra, Nagpur. The District Level Committee under the Chairmanship of Collector of district submits its recommendation to the Govt. of Maharashtra through Directorate of Geology and Mining Govt. of Maharashtra Nagpur.

With regards to applied area information is obtained on following points.

- i) Details of applied area : Private / Govt. / Forest / Grampanchayat etc. alongwith Gat Nos)
- ii) Whether applied area is reserved for government work.

- iii) Prominent natural features in the applied area like river, nala, hills etc.
- iv) Prominent man made features in the applied area like Bandhara, Mosque, Burial ground, Temple, Road, National/ state highway etc.
- v) Information with regards to Tribal land.
- vi) Information with regards to Forest land from Forest Department. The District Level Committee recommends the cases to Industries Department through the Director of Geology and Mining, Government of Maharashtra Nagpur. On the basis of the report and recommendations submitted to government opportunity of hearing is give to all applicants Reconnaissance permit, prospecting licence or mining lease is granted or refused to the applicant by Industries Department of Govt. of Maharashtra. If a mineral for which prospecting licence or mining lease is applied for is included in the first Schedule of the MM(DR) Act 1957 then prior approval of Central Government (Ministry of Mines) is required for grant of reconnaissance permit prospecting licence / Mining lease or its renewal as per provision u/s 5(1) of MMDR-Act-1957.

Execution of Reconnaissance permit, Prospecting Licence/ Mining Lease : Reconnaissance Permit, Prospecting licence & Mining lease granted by the State Government are executed in the prescribed proforma in the Collectorate within three months in case of PL and six months in case of mining lease from the date of order of the Government . Reconnaissance permit is required to be executed in form F-1, prospecting licence in form F-9 mining lease in form K of M.C.R.1960. Applicant has to submit consent of private land owner for the area under grant. Working permission to enter in the area is granted to applicant by concern collector under section 48 (3) of Maharashtra Land Revenue Code, 1966. Before granting working permission of the area the Sub-Divisional Officer has to fix the compensation of this area if not mutually agreed between the applicant and owner of land.

Security deposit : An applicant before deed is executed shall deposit security deposit as follows a) **Reconnaissance permit** : a sum of twenty rupees in respect of every sq.km.or part thereof for which the permit is granted.

b) **Prospecting licence** : a sum of 2500 rupees in respect of the every sq.km. or part thereof for the licence is granted.

c) **Mining lease** : a sum of Rs.10,000/- to be deposited as a security deposit.

LAPSE OF LEASE : A lease holder has to commence mining operation within two years from the date of execution of the mining lease. Where mining operations are not commenced within a period of two years from the date of execution of a lease or is discontinued for a continuous period of two year after commencement or such mining operations, the Director, Directorate of Geology and Mining shall by an order declare the mining lease as lapsed. However, if the lessee unable to start mining operations for period exceeding two years for reasons beyond his control may submit application to the State Government alongwith fee of Rs.200 and other document explaining the reasons for the same at least three months before expiry of such period. The Director and State Government may grant or refuse the request of lessee. After lapse of mining lease it can be revived not more than twice during entire period of lease. Every such application shall be accompanied by a fee of Rs.500/-

Grant of Prospecting licences/ Mining lease in forest areas : Since the grant of any mineral concession in forest area it nothing but the diversions of forest land for non forest purpose, the provisions of Forest Conservation Act 1980 are attracted under section 2 of the said act. In case of application over forest areas approval of Central Government (MOEF) is required to be obtained by applicant for using forest land for non forest purposes.

10. **Applicability of Environment Protection Act to Mining Areas** : Mining is a process of extracting mineral from earth interferes with elements of environment which in turn affects the growth and survival of flora and fauna and also affect the life on the earth. The major environmental problems caused by the mining activity are :

i) Pollution of ground water and surface water (ii) Loss of productive land by mining (iii) Air pollution, Noise pollution (iv) Disturbance of soil strength (v) Deforestation etc.

After evaluating the impact of above process. Every entrepreneur is require to prepare EIA & EMP for mining lease having area more than 5 Hect. & obtain permission from Govt. of India as per prevalent rules.

With a view to maintain beauty of sea shore, mining within a distance of 510 metres from High Tide mark has been prohibited under Environment (Protection) Act, 1986 and Rules made thereunder.

- i) Every mining lease holder is required to registered u/r 45 of MCDR – 1988.
- ii) Must have approved valid mining plan /scheme of mining.
- iii) Environment clearance from Ministry of Environment & Forest Govt. of India.
- iv) Consent to operate from Maharashtra Pollution Control Board.
- v) Production of mineral will limit to quantity mentioned in aforesaid documents.

REVISION AND APPEALS

Revision : In major mineral concessions, any person aggrieved by any order made by State Government or other authority in exercise of powers conferred under Acts & Rules may within three months of the date of communication of the order to him, apply to the Central Government in Form N of MCR 1960 for revision of the order . Application of revision shall be accompanied by prescribed fee as decided by government.

Appeals : In case on minor mineral concession any person aggrieved by any order made by collector or other authority may within 2 months from date of such order can file appeal with State Government (Revenue and Forest Department Mantralaya Mumbai) against order. Application of appeal shall be accompanied by prescribed fee as decided by government.

The coal bearing areas (Acquisition and Development) Act – 1957 (CBA Act 1957) : In the State of Maharashtra presently M/s Western Coal Fields Ltd.(a subsidiary of Coal India Ltd.) a Govt. of India undertaking is engaged in coal mining. In the State WCL is operating in coal mines acquired under CBA-Act-1957, Central Government issues following notifications under this act.

- 1) Notification under section – 4 : For intention to prospect for coal in any area
- 2) Notification u/s – 7 : To give notice of its (Central Government) intention
To acquire the land or any rights in or over such land.
- 3) Notification u/s – 9 : Declaration of acquisition
- 4) Notification u/s – 10 : Vesting of land or rights in Central Government
- 5) Notification u/s – 11 : Power of Central Government to direct vesting of land or rights in a Government company for mining etc. purposes (For Maharashtra it is WCL)

2 GRANT OF MIENRAL CONCESSIONS FOR MINOR MINERALS : At present three sets of Rules are applicable to various regions of the State for minor minerals

- (i) Maharashtra Minor Mineral Extraction (Vidarbha Region) Rules, 1966 for Vidarbha Region.
- (ii) Bombay Minor Mineral Extraction Rules, 1955 for Western Maharashtra, Konkan.
- (iii) The Rules regulating, working of minor minerals 1954 for Marathwada Region.

Procedure for grant of mineral concessions for minor minerals : Following types of Mineral Concessions for minor minerals are granted

- (i) Mining lease or quarry lease
- (ii) Quarrying permit
- (iii) Grant of mineral concession by way of auction.(River / Nalla sand)

Grant of Mining lease / Quarry lease : For the purpose of grant of mining lease or quarry lease for minor minerals under the provisions of different rules in force in Maharashtra, following are the competent officers.

- a) D.F.O./ Sub Divisional Forest Officer : In case of lands under the charge of Forest Department
- b) Executive Engineers of P.W.D/ Irrigation Department : In case of lands under the charge of PWD/ Irrigation Department
- c) Collector of the district : In all other cases.

The applicant has to apply to the Competent Officer in the prescribed form for grant of mining lease or quarry lease and such application is required to be accompanied by the following documents :

- (a) Record of rights of the area applied (i.e. 7/12 extracts)
- (b) Fee of Rs.100
- (c) Plan of the area applied
- (d) Solvency Certificate issued by Tahsildar or Schedule Bank

An application for renewal of mining (quarry) lease is required to be made at least sixty days before the date of expiry of the lease and it should be accompanied by above documents.

In Marathwada region quarry lease is granted either on application or by way of holding public auction under the provisions of rules regulating the working of minor minerals 1954.

Scrutiny of applications for grant of mining lease : After receipt of application for grant of mining lease or quarry lease enquiry on the application is conducted by the Tahsildar concerned and by District Mining Officer. On the basis of the report a mining lease or quarry lease is granted or refused by the competent officer. Prior approval of Director of Geology and Mining is required for grant of mining lease for specified minerals like limestone and lime shale.

Execution of mining lease / Quarry lease : Applicant has to execute the mining lease in Form 'A' within a period of three months from the date of grant of mining lease by the Collector. From the date of execution of the lease, leaseholder should start mining operations within three months in the area leased out to him. Before starting mining operations the lessee has to get the area demarcated by Taluka Inspector of Land Records and obtain working permission from

the Collector. The lease is liable to be cancelled if it is not worked for continuous period of six months.

Period of mining lease/quarry lease : In Vidarbha and Western Maharashtra a mining lease/quarry lease may be granted for a period not exceeding ten years. The lease is renewable at the option of the lessee for one period not exceeding duration of the original lease.

In Marathwada region quarry lease may be granted for a period of one year to five years and is renewed for any period not exceeding five years.

Temporary permits for Minor Minerals : The State Government has delegated powers to the competent Officers for grant of temporary permits for minor minerals. Accordingly Collector, Executive Engineers, D.F.O., Assistant Collector / Deputy Collector and Tahsildars are empowered to grant temporary permits for removal of specific quantities of minor minerals as below in their respective jurisdiction.

Sr.No.	Competent Officer	Limits of quantity of Minor Minerals
1	Collector	Up to 25,000 brass
2	SDO	Up to 1,000 brass
3	Tahsildar /Range Forest Officer	Up to 100 brass

In the application for temporary permit, applicant has to mention his name and address, the quantity and name of the minor mineral, period and purpose for which it is required etc. Three copies of map of the area from where mineral is to be extracted, copy of record of rights (7/12) report from the concerned talathi, challan of Rs.25 as application fee should be submitted along with application. Such application is to be submitted to the Competent Officer as per his jurisdiction. With due consideration on such applications permits are granted or refused by the Competent Officers. Before a permit is granted royalty and surface rent are assessed and recovered in advance. After payment of Royalty etc. Applicant is permitted to extract specific quantity of minor mineral within stipulated period. Limited transit passes certified by the concerned authorised officer are issued to the permit holder. Revenue Officer, District Mining Officer, Talathi and Mining Inspector inspect the working of the permit holder from time to time & ensure whether he has stopped the excavation and dispatches of material after the period is

over. It is also ensured that the depth of the pit where working is carried out does not exceed 20 feet from the surface.

Grant of mineral concessions by way of auction : Concern Tahsildar submits detailed proposal of sand ghats to collector. After receipt of such proposals areas are scrutinized by committee comprises of District mining officers working in the collectorate and Ground Water Survey and Development Agency (GSDA), and representative from environment Dept prior to this NOC from concerned Gramsabha is obtained This procedure is specially adopted for grant of concessions of ordinary sand to be used exclusively as a Minor Mineral. The quantity of sand is assessed and the upset value is accordingly fixed. After getting approval for upset price from concern Divisional Commissioner The Collectors notify the programme of e-auction area and date of auction in the local news papers after confirmation of the auction by the Collector, the highest bidder is granted the area. Highest bidder has to enter into an agreement with the competent officer within 15 days from the date of confirmation of the bid & depositing bid amount before the agreement is executed. Auction for a particular area is valid for a period of one year only i.e.from 1st August to 31st July. Fresh auction is done every year after the expiry of the period.

Grant of mining leases for Granite in the State : Govt. of Maharashtra has formulated Maharashtra Granite Extraction Rules – 1995 for the grant of mining leases for Granite area in the State.

The applicant has to apply to concern collector in prescribed foarmat as per annexure “A” of above said rules alongwith following documents.

- a) A non refundable fee of Rs.500/- or such amount as may be prescribed by government.
- b) A certificate of financial standing of the applicant from any scheduled bank in this State or a registered co-operative bank
- c) Map showing boundaries of area applied and 7/12 extracts.
- d) An affidavit affirming location and capacity of the Granite processing plant erect by applicant or applicant shall install and commission a commercial scale Granite processing plant within 3 year from date of grant of lease within State.

In case of forest land a copy of proposal submitted by the applicant to the competent authority in pursuance of the Forest (Conservation) Act – 1980.

Maximum area under mining in State : No lessee by himself or with any person hold under one or more leases in the aggregate more than 150 hect. Area within State out of it area of black Granite shall not be more than 50 Hect.

Period of mining lease and its renewal : Initial period for mining lease granted is 15 years renewal for further two periods of 15 years each subject to satisfaction of State level committee.

Grant of mining lease and execution of lease : 1) The applicant complete in all respect received by the Competent Authority during quarter of the year shall be processed by the District Advisory Committee and forwarded by the Competent Authority to the State Level Committee during the following quarter.

2)The State Level Committee shall decide the applications received for the District Advisory Committee within a period of 3 months.

Provided, however, the aforesaid time limit for disposing of the applicant by the State Level Committee shall not apply to the applications in respect of lands recorded as forest lands.

3) The Competent Authority shall issue the orders for grant of lease execution of lease deed as per directions of the State Level Committee.

1) **Execution of Lease** : Where a mining lease is granted by the Competent Authority under sub-rule (1) the lease shall be executed within six month the order sanctioning the lease and

if the lease is not executed within aforesaid period, the order sanctioning the lease shall be deemed to have revoked

Provided that, where the Competent Authority is satisfied that the applicant is not responsible for the delay in execution of the formal lease he may the execution of lease after expiry of the aforesaid period of six months.

2) The mining lease shall be executed in the form as may be prescribed government separately.

6) **Consent of Land Owner** : The lessee shall produce a written of the land owner of the area at the time of execution of lease deed.

7) **Quarrying Plan** : a) The lessee shall submit a quarrying plan approved by the Director, to the Competent Authority at the time of execution of lease deed.

b) The quarrying plan should be prepared by a qualified person authority by Indian Bureau of Mines, Government of India, Nagpur.

Security Deposit : 1) The applicant shall, before the execution of mining lease deposit as security a sum of Rs.2,500 or such amount as may be prescribed by the Government from time to time per hectare or part thereof for the lease for the observance of the terms and conditions of the lease.

3) The applicant shall also deposit at the time of execution of lease deed a separate security deposit of Rs.2000 or such amount as may be prescribed by the Government from time to time per hectares or part thereof, for the purposes of restoration of the lease area to the satisfaction of the Competent Authority.

Royalty Dead Rent : Royalty shall be paid in advance in each quarter by lessee as per schedule – I of or rules and dead rent as per schedule – II of rules.

Illegal mining : Mineral rights vest in State Government and State Government is the owner of mineral wealth wherever found. Being the owner of mineral wealth, State Government can assign the right of extraction of minerals to anybody under the provisions of Mines and Minerals (Regulation and Development) Act, 1957 and rules made there under. Anybody extracting or removing any mineral without obtaining permission from any lawful authority amounts to illegal mining and is liable to be punished under the provisions of the rules. Following action can be taken against the persons doing illegal mining.

i) Action to impose fine up to three times the market value of material extracted illegally as per section 48 (7) of the Maharashtra Land Revenue Code, 1966 can be taken by the Collector, S.D.O., Tahsildar and District Mining Officer along with recovery of royalty of mineral.

- ii) The mineral extracted illegally can be seized/confiscated by the Collector, S.D.O., Tahsildar, under section 48 (8) of M.L.R. Code 1966.
- iii) Under section 22 of Mines and Mineral (Regulation and Development) Act, 1957 complaint can be lodged before appropriate Court of the District Magistrate by Director of Geology and Mining, Joint Director, Regional Deputy Director and District Mining Officers for illegal mining.
- iv) Under section 21 of Mines and Mineral (Regulation and Development) Act, 1957 following action can be taken by the competent authorities mentioned below :
 - a) Under section 21 (3) order of eviction from the area can be served on the person doing illegal mining.
 - b) Under section 21 (4), the machinery tool equipment, vehicle or any other thing brought on the land for carrying out illegal mining can be seized by the District Magistrate, Officers of Director Geology and Mining and District Mining Officers.
 - c) Under section 21 (5), the mineral illegally extracted can be recovered from such person where such mineral has already been disposed of the price thereof and rent, royalty or taxes can also be recovered from such person by the State Government or District Mining Officer for the period such area has been occupied by him.
 - d) A person doing illegal mining can be punished with imprisonment for a term which may extend to two years or with fine which may extend to ten thousand rupees or with both.
 - e)

Measures taken for stopping illegal mining : With a view to stop illegal mining and evasion of Royalty, following steps are taken.

1) **Issue of Transit pass** : Every leaseholder or permit holder has to use transit pass. Such transit passes issued by authority shows the details of the lease holder / permit holder, date, vehicle number transporting the material, quantity, time etc. Such pass is counter signed either by the District Mining Officer / Concern SDO / Tahsildar. Any truck carrying mineral without a

valid and countersigned transit pass is treated as illegal and action against such person is taken as per rules.

2) **Framing of Rules under section 23 (c) of MMDR Act 1957** : In exercise of the powers conferred under section 23 (c) of MMDR – Act 1957, the Govt. of Maharashtra has framed “Maharashtra Minerals (Prevention of illegal mining, transportation & storage rules) Rules 2001 to stop illegal mining, possession, storage, trading & transportation of major minerals. Under this person dealing with business of mineral is required to obtain dealer registration from concern regional Dy. Director Geology & Mining of the region as per provision of rule 4 of rules 2001. If Dealer Permit Holder commit breach of condition fine up to Rs. 25,000/- can be imposed.

Constitution of task force/flying squads for prevention of illegal mining at the State & District level have been formulated by Government of Maharashtra.

Registration of vehicles used for transportation of minerals is required to be registered with concern Dy. Director office of Geology and Mining.

MINERAL RECEIPTS, ASSESSMENT OF ROYALTY : Mineral receipts include Royalty, Dead Rent, Surface Rent and Cesses, interest for late payment, application fees, etc.

Royalty : In accordance with the provisions of section 9 of the Mines and Minerals (Regulation and Development) Act, 1957 royalty is payable for the quantity of minerals removed from the lease area or consumed by the lessee, Rates of Royalty varies from mineral to mineral and can be enhanced or reduced by Central Government in case of major minerals once in 3 years as per section 9 A (2) of MM (DR) act 1957 and by State Government in case of minor minerals as per section 15 (3) of the MM (DR) Act 1957. (schedule – II of MM (DR) Act 1957 and schedule of minor mineral rules).

For major minerals royalty is payable in advance for each quarter ending i.e. March, June, October and December of each year. The amount of advance payment of royalty for each quarter is decided by the District Mining Officer on the basis of performance of each mine in last 3 quarters and amount thus fixed for advance payment of royalty is later on adjusted on the quantity of mineral/ ore produced in that quarter. Fresh advance for next quarter is then taken on the basis of adjustment in the previous quarter. However in case of

minor minerals, royalty is payable for six months ending 30th June and 31st December and required to be paid before 15th July and 15th January every year.

Dead Rent : When mine is temporarily closed, the lessee has to pay dead rent at the rate prescribed in Mines and Minerals (Regulation and Development) Act, 1957 in case of major minerals and as per minor mineral extraction rules in case of minor minerals. The rates can be enhanced or reduced once in three years. A lessee is liable to pay royalty or dead rent whichever is higher and not both.

Surface Rent : A lessee is liable to pay for the surface area used by him for the purpose of mining operations, surface rent and water rate at such rate not exceeding land revenue water and cesses assessable on the land.

Interest on late payment : With a view to curb tendency of late payment of mineral/ores, interest at 24% per annum is charged for late payment of mineral dues in respect of major minerals. For minor minerals, penalty double the dead rent is charged for late payment of mineral dues.

Mineral Production : As a result of the economic deposits proved by the State Directorate in the State, there has been a continuous rise in the mineral production of the State since the inception of Maharashtra State in May – 1960. During 1960 the total mineral production of the State was **1370133 tonnes** whereas during 2010-11, the total mineral production has gone up to **2133.13 lac tonnes**. There has been substantial rise in the production of minerals in the State. At present there are **285 mining leases** in the State for various minerals under M.C.R.1960 and 63 coal mines under CBA Act 1957.

Mineral Revenue : The mineral explored and estimated by the Directorate have helped in boosting the mineral production and consequently the mineral revenue of the State. During 1960-61 the mineral revenue realized in the State, both for major and minor minerals was Rs.38.80 Lakhs whereas during the year 2011-12 it has reached to the tune of Rs.194322.16

Lakhs. It is expected that with the continuous increase efforts in respect of geological surveys and mineral exploration in the State, there would be increase in mineral revenue.