



Government of Madhya Pradesh  
Mineral Resources Department

# Mineral Policy 2010

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**GOVERNMENT OF MADHYA PRADESH  
MINERAL RESOURCES DEPARTMENT**

**MINERAL POLICY-2010**

**Preamble**

Minerals are unique endowment of the nature for economic and social development of any State. This endowment is finite and non-renewable. However, failure to ensure scientific and systematic exploitation of this resource may lead to various social and ecological irreparable losses. This Mineral Policy has been promulgated to ensure the proper exploitation of the mineral resources for optimum and sustainable development of the State. The Present Policy will ensure scientific & systematic and sustainable development of mineral resources is achieved and all environmental & ecological issues are properly addressed.

Minerals belong to the State. But in order to ensure uniformity in development of minerals, Central Government has enacted the Act/Rule under the provisions of Constitution of India. It is governed by the Central legislation i.e. Mines and Minerals (Development and Regulation) Act, 1957. Considering entire scenario of mineral sector, mineral development and availability of the valuable resources the Central Government has announced National Mineral Policy (NMP)- 2008, The Central Government has also issued guidelines to States to announce their Mineral Policy. Present mineral policy 2010 is being formulated by Government of Madhya Pradesh on the basis of objects of the National Mineral policy 2008.

## **Geological set-up of the State**

The geological set-up of the State endowed with vast variations. Rocks belonging to the oldest formations i.e. from Archean period to the recently formed Alluvium are available in various parts of the State. The oldest known rocks of Archean and Proterozoic period occupy nearly 45% of the area of the State. These rocks are mostly found as Bundelkhand Granite and Saucer/Sakoli group of rocks. Saucer/Sakoli group of rocks are known for Manganese ore deposits in the State. The next younger formation of mid to upper Proterozoic group also called as 'purana group' include rocks belonging to Vindhya, Bijawars and Gwalior groups etc. These have been intruded by the kimberlitic rocks bearing diamond deposits. The rocks of this group are also repository of minerals like limestone, dolomite and phosphorite. Nearly 10% of the area of the State is covered by the Gondwana group which is essentially sandstone, formed between carboniferous to Cretaceous period. Gondwana group bear coal deposits of the State. 35% of the area of the State is occupied by volcanic rocks known as Basalts. The Deccan Trap Basalts forms high plateaus in Mandla, Jabalpur, Balaghat and Seoni districts. It also overlies Vindhya in Satna district and is spread over a large area South-West of Madhya Pradesh in Indore, Khargone and Khandwa districts of the State. Weathering of this rock through millions of years has given rise to Bauxite and Laterite deposits. Younger intrusives viz. Malajkhand Granite found in North-East Balaghat district is the bearer of famous Malajkhand Copper Deposit. Alluvium of Quaternary are found extensively in the river valleys i.e. Narmada, Tapti and Chambal. In these valley areas, especially in the Narmada Valley the sign of earlier civilization have been found.

## **Mineral Wealth of the State**

Madhya Pradesh is one of the rich mineral bearing state in the Country. Besides its monopoly in production of diamonds, the State stands first, in production of Diaspore, Pyrophyllite and Copper ore, comes second in production of Rockphosphate, Shale and Fire-clay and third in production of Manganese ore, Limestone and Ochre. The State had occupied fourth position in the year 2008-09 in respect of coal production in the country.

Detail of mineral deposits found in the State, on the basis of Indian Mineral Year Book published by Indian Bureau of Mines is, given in appendix I. In the year 2009-10 mineral of `10,600 crores are produced and revenue of ` 1590.00 crore is accrued to the State as royalty. Details of mineral production and revenue are given in appendix-2 & 3.

The State has 1101 mining leases, 201 prospecting licenses and 43 reconnaissance permits, in the year 2009-10. Besides these 5068 quarry licenses and 3920 auction quarries of various minor minerals were also in operation.

## **THE MINERAL POLICY-2010**

### **(1) Survey, Prospecting and Assessment of Mineral Deposits**

- 1.1** Geological Survey of India and the State Directorate of Geology and Mining are the two important organizations, of survey, exploration and assessment of mineral deposits, will ensure greater coordination and exchange of information between them.
- 1.2** The Directorate shall be equipped with state-of-the-art technologies for exploration of minerals. The technical staff of the Directorate will be trained, in latest techniques and technologies, applicable for exploration of minerals, within a time frame.
- 1.3** For investigation and assessment of new mineral deposits with modern technologies the private sector participation will be encouraged in mineral investigation.
- 1.4** Studies and use, for blending of high grade with low grade mineral in a certain proportion, will be encouraged.
- 1.5** A Mineral Development Fund for mineral exploration, strengthening of mineral administration and development of mineral bearing areas shall be formed. For allotment in this fund a proposal shall be sent to Finance Department as per requirement. Finance Department will allot fund every year as budgetary provision.
- 1.6** Special emphasis shall be given for exploration of precious metals viz. gold, base metals, platinum, diamond and low grade iron ore.

- 1.7 Reconnaissance permit for precious metals and other sub surface mineral shall be encouraged in the future. Reconnaissance permit for minerals traced on surface or bulk minerals shall be discouraged.
  - 1.8 Technical experts of private sector, scholars from geology department of universities and selected industrial houses engaged in mining sector, shall also be included in the State Geological Programming Board.
  - 1.9 For assessment of mineral deposits, the United Nations Framework of Classification (U.N.F.C.) shall be adopted.
- (2) **Strengthening of Mineral Administration.**
- 2.1 The powers to sanction leases of minor minerals will be decentralized to a great extent, including leases of granite and marble,.
  - 2.2 A computer based online tracking, of all type of applications of mineral concessions, shall be introduced to make the process transparent and accountable.
  - 2.3 The Directorate, Regional and District Offices shall be modernized for better efficiency and governance.
- (3) **Prevention and Control of Illegal Mining and Transportation.**
- 3.1 Weighing machines and check posts shall be set up in coordination with other department on main routes of the state to ensure effective vigil on illegal mining and transportation of minerals.
  - 3.2 Existing rules shall be made more stringent, to control illegal mining and transportation of minerals.

- 3.3** System of e-permits shall be developed in the phased manner for transportation of minerals.
- 3.4** The State Level, District Level Task Force and Flying Squads shall be made more effective and shall be vested with adequate power.
- 3.5** High-level resolution Satellite data shall be used to detect illegal mining. Grid based maps will be made compulsory at the time of sanctioning / renewing mining leases to ensure accurate location of the mining areas.
- 3.6** Granting and renewal of mineral concessions to defaulters and offenders shall not be considered.
- 3.7** For suspension or cancellation, of registration of vehicle indulged in illegal transportation of minerals and also for cancellation of driving licence of drivers, driving such vehicles, appropriate action will be taken after examination of relevant rules.
- 3.8** A Process shall be initiated for auditing, of such mines, which generate revenue in the tune of five crore or more, by chartered accountant.
- 3.9** Team shall be constituted in identified mineral bearing districts to act persistently for prevention of illegal mining and transportation of mineral.
- 3.10** Process to include, subject of prevention of illegal mining and illegal transportation of mineral, in the agenda of Gram Sabha, shall be initiated to create public awareness against this type of illicit activity
- 3.11** In order to ensure use of royalty paid minerals, registration of such entrepreneurs, who consume minerals commercially by stocking, shall be made.

**(4) Grant of Mineral Concessions and Priority under Section 11(5) of Mines and Mineral (Development and Regulation) Act, 1957**

- 4.1 Disposal of applications, within prescribed time frame of rules, shall be ensured. In order to affirm this system more transparent and accountable, application forms of mineral concession shall be received on line.
- 4.2 Reconnaissance Permit applications will be disposed off promptly and it will be ensured that the data obtained through reconnaissance operation is available on the Directorate's Website after the lock in period, so that data is accessible to other prospective entrepreneurs.
- 4.3 For assessment of mineral deposit of any area by way of prospecting in mineral rich district Viz. Katni, Jabalpur, Satna, Rewa, Balaghat, Chhindwara, Chhatarpur, Sagar, Jhabua, Dhar, Sidhi, Singrouli, and Betul etc, may be published in the official gazette to invite application within prescribed time limit.
- 4.4 Principle of seamless transition from reconnaissance permit to prospecting licence and prospecting licence to mining lease shall be honoured strictly.
- 4.5 Such mineral bearing areas, where mineral deposits have been proved by Geological Survey of India/Directorate of Geology and Mining/Mineral Exploration Corporation Limited or any other source, shall be granted through bidding after the necessary amendments are notified by Government of India in the Mines and Minerals (Development & Regulation) Act, 1957.
- 4.6 It shall be ensured that the mineral bearing areas are notified and granted in such a way so that fragmentation of the mineral deposit, wastage may be minimal, development of the mines in scientific manner and zero waste mining may be ensured.

- 4.7** After scientific assessment of mineral requirement, of every mineral concessionaire, sanction may be issued to check monopoly over mineral by any applicant.
- 4.8** Priority shall be given, in sanctioning of minerals concession, to applicants intending to establish mineral based industries in the state. In case of multiple applicant intending to establish mineral based industries on the basis of same or overlapping mineral bearing area then priority, to most capable applicant having requisite capacity, shall be given by considering following points:-
- (A)** Who has signed MOU (Memorandum of Understanding) with State Government or Undertaking of State Government to establish unit for value addition of minerals in State of Madhya Pradesh.
  - (B)** If more than one applicant signed MOU, than priority will be given to those applicant/applicants who has taken effective steps to establish unit for value addition viz. land, sanction of loan from financial institution, necessary arrangement of water, electricity and placement of order to purchase machinery by making advance payment etc. Utmost priority will be given to those applicants who have initiated construction of unit or have installed the unit.
  - (C)** Mining of mineral resources by using modern technique for minimal losses of minerals.
  - (D)** If applicant has land ownership rights over the applied area.
  - (E)** For scientific mining, sanction of adjacent area to the mines, for use of unexploitable marginal area of the mines
  - (F)** Applicant who give commitment to provide at least fifty percent employments to local people in mining & value addition unit.
- 4.9** For firm commitment of corporate social responsibility of concessionary an agreement will be executed with mutual consent.

4.10 The monitoring committee constituted in chairmanship of Chief Secretary, will monitor and review, sanction of mineral concessions in prescribed time limit and necessary clearances to be issued in minimum period required for exploitation after grant. This committee will also monitor the effective prevention of illegal mining and transportation of minerals and implementation of Mineral Policy 2010.

**(5) Mineral Concession for Minerals Found in Abundance in State.**

5.1 Mineral concessions of mineral found in abundance Viz. limestone, iron ore, manganese ore and bauxite shall be granted to applicant intending to set up value addition plant in the state.

5.2 Mineral concessions of these minerals will be given for trading, only in such cases where establishment of value addition units, due to limited quantum of mineral deposit and its location, is not economically remunerative.

**(6) Scientific and Systematic Mining**

6.1 Mineral concessions will be granted on zero waste principle. The State Government shall ensure scientific and well planned mining in accordance with the provisions of Indian Bureau of Mines and the Director General of Mine Safety Department. For this purpose, greater coordination between these three agencies will be abridged.

6.2 Expertise for preparing and implementing mining plans and mine closure plans will be developed in the Directorate of Geology and Mining. The Directorate will regularly review the mining activities.

6.3 Action will also be taken to acquire technique of ore beneficiation and to develop expertise for preparation of techno- economic report in the state.

- 6.4 The District Level Task Force will annually inspect mineral concessions granted for mining of major minerals in the State, so as to ensure that all the rules, especially mining rules, environment rules and labour laws are being followed.

**(7) Land Use and Sustainable Development**

With a view to ensuring sustain development of minerals, environment and ecology will be taken proper care of. Implementation of the recommendations and rules, pertaining to plantation, environment and ecology, will be ensured to compensate losses caused due to mineral development. Local bodies like Panchayats and NGOs will also be associated in the process of preparation and implementation of mine closure plans.

**(8) Infrastructure Development in Peripheral area**

- 8.1 Infrastructure development is a prerequisite for exploitation of mineral and consumption and augmenting mineral based industries. The existing infrastructure in mineral bearing areas is not adequate. Therefore, top priority will be given to development of internal roads in mining areas and maintenance of roads that connects to the railways and main roads.
- 8.2 Carrying of ore from mining areas to the railway siding and stock yards through conveyor belt and rope ways and other similar means will be encouraged to avoid pollution, over crowding and damage to roads.
- 8.3 As per the provisions of the National Mineral Policy, a scheme, on the lines of Government of India's Jawaharlal Nehru National Urban Renewal Mission, will be submitted for infrastructure development around the mining areas.

**(9) Sanction of Mineral Concessions in Notified Tribal Areas**

Mineral concessions will be sanctioned only in special circumstances in the notified areas predominantly inhabited by Scheduled Tribes. In granting mineral concessions in these areas, priority shall be given to local tribal communities, organizations or cooperative societies on their application.

**(10) Environment and Forest Clearances**

**10.1** The State Government will ensure time bound disposal of applications for mineral concessions in forest areas. The State Government will also identify areas where mining activities may lead to irreparable environmental and ecological damage and such areas will be declared 'NO GO' areas for mining. The State Government will also set up a Land Bank by selecting suitable area, for compensatory afforestation so that clearances from Government of India under Forest Conservation Act may be obtained speedily.

**10.2** Grant of Mineral Concession of Low Value Minerals (Major & Minor Minerals) will be discouraged in reserve and protected forest.

**(11) Increase in Mineral Revenue**

**11.1** The royalty rates of minor mineral will be revised in proportion to the prevailing market rates.

**11.2** In future quarry of flagstone will be granted through transparent bidding.

**(12) Human Resource Development for Mining**

**12.1** Availability of adequate technical hands is essential for making mining sector vibrant and more dynamic. Technical education institutions will be

persuaded to start mining engineering courses both as graduate and diploma. Besides this the efforts shall also be made to impart suitable training in Industrial Training Institutes of the State to obtain certificate of efficiency for the jobs like Mines Foreman, Blaster, Mine Surveyor etc.

**12.2** Active involvement of mining industry will be ensured in designing and conduct of courses in Industrial Training Institutes.

**12.3** Mining industry will be encouraged to start Industrial Training Institute.

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## Appendix-1

**Details of Mineral Deposit in Madhya Pradesh**

<b>Sr. No.</b>	<b>Mineral</b>	<b>Unit</b>	<b>Total Reserves</b>
<b>1</b>	<b>Copper Ore</b>	<b>Million Tonnes</b>	<b>227.14</b>
<b>2</b>	<b>Diamond</b>	<b>Thousand Carate</b>	<b>1205.00</b>
<b>3</b>	<b>Diaspore</b>	<b>Million Tonnes</b>	<b>2.04</b>
<b>4</b>	<b>Dolomite</b>	<b>Million Tonnes</b>	<b>116.00</b>
<b>5</b>	<b>Limestone</b>	<b>Million Tonnes</b>	<b>795.10</b>
<b>6</b>	<b>Manganese Ore</b>	<b>Million Tonnes</b>	<b>27.47</b>
<b>7</b>	<b>Rock Phosphate</b>	<b>Million Tonnes</b>	<b>19.15</b>
<b>8</b>	<b>Pyrophyllite</b>	<b>Million Tonnes</b>	<b>10.29</b>
<b>9</b>	<b>Coal (as on 01.04.2008)</b>	<b>Million Tonnes</b>	<b>20559.96</b>

\* Source : (Mineral Year Book - Indian Bureau of Mines, 2008)

## Appendix -2

**Mineral Production****(Production in Lakh Tonnes)**

<b>No.</b>	<b>Name of Mineral</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10 (Provisional)</b>
<b>1</b>	Coal	555.79	597.26	679.54	708.10	740.00
<b>2</b>	Limestone	252.74	284.11	256.40	255.10	280.00
<b>3</b>	Copper Ore	17.06	22.70	21.92	16.04	19.09
<b>4</b>	Manganese Ore	4.25	4.75	5.68	7.25	5.80
<b>5</b>	Diamond (in Carates)	44170	2180	601	592.00	9959
<b>6</b>	Dolomite	1.29	1.67	1.64	1.70	2.00
<b>7</b>	Bauxite	1.02	1.44	4.55	5.10	19.50
<b>8</b>	Rock Phosphate	1.78	1.93	1.20	1.35	2.10
<b>9</b>	Diaspora/ Pyrophyllite	1.58	1.24	1.83	1.88	2.20
<b>10</b>	Fireclay	0.75	0.51	0.56	0.58	0.57
<b>11</b>	Leterite	1.42	0.83	1.24	1.40	0.95
<b>12</b>	Calcite	-	-	-	-	-
<b>13</b>	Iron Ore	4.64	12.12	22.16	7.98	16.00
<b>14</b>	Slate	4.26	4.75	5.57	0.09	0.10
<b>15</b>	Kaolin	0.17	0.15	0.10	0.11	0.20
<b>16</b>	Ochre	0.18	0.25	0.35	0.09	0.08
<b>17</b>	Clay (Other)	1.12	4.43	2.42	1.14	1.15
<b>18</b>	Other Major Mineral	0.40	0.50	0.60	5.71	1.50
<b>Total Major Mineral</b>		<b>848.45</b>	<b>938.64</b>	<b>1005.76</b>	<b>1030.35</b>	<b>1091.24</b>
<b>Total Minor Mineral</b>		<b>390.73</b>	<b>435.28</b>	<b>572.05</b>	<b>630.00</b>	<b>700.00</b>
<b>Grant Total</b>		<b>1239.18</b>	<b>1373.92</b>	<b>1577.81</b>	<b>1660.35</b>	<b>1791.24</b>

**Note : Grand total is excluding production of Diamond.**

## Appendix -3

## Mineral Revenue

(In Crore Rupees)

No.	Name of Mineral	2005-06	2006-07	2007-08	2008-09	2009-10 (Provisional)
1	Coal	569.09	609.06	770.97	966.22	1025.11
2	Limestone	131.03	145.55	144.61	141.22	259.54
3	Copper Ore	10.14	22.50	21.69	13.22	22.52
4	Manganese Ore	4.74	5.43	9.81	21.94	17.03
5	Diamond (in Carate)	4.53	1.52	0.71	0.09	0.54
6	Dolomite	1.04	1.10	1.34	1.65	2.47
7	Bauxite	1.05	1.52	3.84	9.30	17.46
8	Rock Phosphate	0.76	0.44	0.75	0.78	0.88
9	Diaspora/ Pyrophyllite	0.56	0.50	1.03	1.06	1.56
10	Fireclay	0.36	0.37	0.21	0.20	0.25
11	Leterite	0.27	0.52	0.64	0.73	1.05
12	Calcite	-	-	-	-	-
13	Iron Ore	0.29	1.17	2.09	0.90	2.12
14	Slate	0.08	0.08	0.09	0.03	0.04
15	Kaolin	0.04	0.08	0.09	0.05	0.12
16	Ochre	0.10	0.08	0.11	0.22	0.20
17	Clay (Other)	0.04	0.09	0.12	0.09	0.09
18	Other Major Mineral	2.78	5.81	21.74	32.98	25.62
<b>Total Major Mineral</b>		<b>726.90</b>	<b>795.82</b>	<b>979.84</b>	<b>1190.68</b>	<b>1376.60</b>
<b>Total Minor Mineral</b>		<b>92.48</b>	<b>128.09</b>	<b>145.55</b>	<b>170.40</b>	<b>213.40</b>
<b>Grant Total</b>		<b>819.38</b>	<b>923.91</b>	<b>1125.39</b>	<b>1361.08</b>	<b>1590.00</b>