

No. M.VI-16/123/2021-Mines VI

Government of India
Ministry of Mines

Shastri Bhawan, New Delhi.

Dated: 1st June, 2023.

ORDER

Whereas, the Mines and Minerals (Development and Regulation) Act, 1957 ('the Act') was enacted to provide for development as well as regulation of mines and minerals in the country.

And whereas, section 3(d) of the Act defines 'mining operations' as any operations undertaken for the purpose of winning any mineral. Further, section 4(1) of the Act provides that no person shall undertake mining operations in any area, except under and in accordance with the terms and conditions of a mining lease granted under the Act and the rules made thereunder.

And whereas, in various places in the country, mineral deposits are found as outcrops (on the top soil) and occur in small quantity. Such deposits sometimes get excavated while undertaking of public works, such as roads, canals, pond digging and other infrastructure development projects. Excavation of such deposits, which is incidental to undertaking of public works, does not fall under the purview of 'mining operations', as the purpose of undertaking such works is not winning of any mineral but to construct some infrastructure. Thus, granting of mining lease is not practical in such cases where the purpose of undertaking public work is not winning of mineral and also the quantity of mineral obtained is meager. Accordingly, such cases do not attract provision of section 4(1) of the Act.

And whereas, although the mineral is excavated in such cases as an incidence to undertaking public works, it is necessary to provide measures for its conservation and proper disposal. Section 18 of the Act provides that it shall be duty of the Central Government to take all such steps as may be necessary for conservation and systematic development of minerals in India. It is also pertinent to state that

natural resources, including minerals, are a shared inheritance where the State is a trustee on behalf of the people and therefore it is imperative that these minerals are appropriately disposed in larger public interest. Accordingly, there is need to provide manner of disposal of such minerals in the national interest and to ensure transparency as well as ease of doing business.

And whereas, section 20A of the Act provides that notwithstanding anything contained in the Act, the Central Government may issue such directions to the State Governments, as may be required for the conservation of mineral resources, or any policy matter in the national interest, and for the scientific and sustainable development and exploitation of mineral resources.

Now therefore, in exercise of the powers conferred under section 20A of the Act, the Central Government, in the national interest, hereby directs the State Governments concerned to dispose the minerals (except the minerals prescribed under Part A and Part B of the First Schedule of the Act) obtained in any public work, such as road, canals, pond digging or any other government infrastructure development projects carried out by any Government Agency authorized to do so by the Central or State Government, in the manner specified below:-

- i. The State Government shall at all times have the right of pre-emption of the minerals so obtained.
- ii. The State Government may dispose the minerals so obtained through:
 - (a) Auction by method of competitive bidding by the Directorate or Department of Mining and Geology ('DMG') of the State Government (by whatever name called) or through the Government department executing the work or any other department of the State Government on behalf of the DMG; or
 - (b) supplied to or handed over to State or Central Public Sector Undertaking or any other Government entity for its consumption, use or disposal.
- iii. For the purpose of disposal of minerals, the DMG or the Government Department authorized in this regard, may carry out

- survey, chemical analysis or any other activity required for ascertaining the quantity and grade of the minerals.
- iv. It shall be ensured that the entity procuring the mineral in the auction should be registered with the Indian Bureau of Mines under rule 45 of the Mineral Conservation and Development Rules, 2017 (for the purpose, a condition may be included at the time of auction).
 - v. The State Government shall maintain a record of minerals so obtained and subsequently disposed of; and furnish the data to the Central Government as and when required to do so.
 - vi. In the event of failure of auction as provided hereinabove, the mineral shall be supplied to or handed over to a State or Central Public Sector Undertaking or any other Government entity for its consumption, use or disposal as prescribed for the mineral in the manner as deemed fit by the State Government concerned.



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To:

1. Principal Secretary / Secretary / DMGs of Mining Department of all State Governments / Union Territories
2. Controller General, Indian Bureau of Mines

