

## 13. MADHYA PRADESH

### 13.1 TITLE

Madhya Pradesh Minor Mineral Rules, 1996.

### 13.2 ADMINISTERING AUTHORITY

The State Government is the granting as well as the appellate authority in respect of quarry leases. Collector/Addl. Collector (Sr. IAS scale) have been empowered to grant quarry lease in respect of minerals specified in S.N. 4, 5, 6 and 7 of Schedule-I wherein area applied is less than 4 hec. And minerals in S.N. 2 of Schedule-II and for all minerals specified in Schedule-II within the area of the Corporation, Municipalities, Special areas and Nagar Panchayats and for minerals in S.N. 1 and 3 to 12 of Schedule-II within the area of Panchayat where the average annual value of quarry exceeds Rs. 10,00,000/-.

The Director of Geology and Mining is the granting authority of quarry leases for minerals specified in S.No.4, 6 and 7 of Schedule-I where the area applied exceeds 4 hectares and the State Government for minerals specified in S.N.1 to 3 and also for areas applied exceeding 4 hec. In case of minerals specified in S.No.5 of Schedule-I.

Quarry permits in respect of quarries of Gram Panchayats/Janpad Panchayats and Zilla Panchayats are granted and renewed by the respective Panchayat after obtaining prior approval of the Gram Sabha of the Panchayat in which quarry area is situated. For area falling within two or more Gram Panchayats, the authorised Gram Panchayat will grant quarry permits.

### 13.3 TYPES OF CONCESSIONS

There are two types of concession, namely the 'Quarry Lease and Quarry Permit'. The quarry lease is akin to the mining lease granted under MCR, 1960.

### 13.4 PROCEDURE FOR GRANT

There is general exemption from the Rules in the case of : (i) Sand or clay which has not been declared by the State Government as having a commercial value or being required for any public under Madhya Pradesh Land Revenue Code, 1959; (ii) extraction of clay or sand by hereditary Kumhar, a member of Scheduled Caste or Scheduled Tribe or a Co-operative Society of such Kumhars and/or members of Scheduled Castes and/or Scheduled Tribes for preparing tiles, pots or bricks by traditional means, but not by process of manufacture in kilns or by mechanised means; (iii) minor minerals not quarried for sale but are required for the construction or repairs of wells, or other agricultural works, or for the construction or improvement of the dwelling house of agriculturists, village artisans and labour residing in revenue or forest villages; and (iv) the search of minor minerals at the surface not involving any substantial disturbance of the soil by digging up pits, trenches or otherwise.

### 13.4.1 QUARRY LEASE

No quarry lease/quarry permit shall be granted in respect of lands within a distance of 75 metres from any bridge, national or State Highways, Railway Line, 10 metre from gramin Kachha road and 25 metre from nala or 50 metres from any public place, except for the mineral sand or bajri in respect of land within a distance of 50 m. from river banks, nala, canal or any natural watercourse, dams or any water impounding structure. Applicant should be an Indian national or a company as defined in sub-section (1) of Section 3 of the Companies Act, 1956. In case of a firm or association all members should be citizens of India.

An application for the grant of a quarry lease is to be made to the sanctioning authority through mining officer or Asstt. Mining Officer of the district in the prescribed form I to which a court fee stamp of Rs.5.00 is required to be affixed. The application should contain particulars regarding the identity of the applicant; a description of the area illustrated by a map or plan showing as accurately as possible the situation, boundaries and area of the land applied for; the name of the mineral and the purpose for which it is to be used and the period for which the lease is sought. The application should be accompanied by a no dues certificates from the Collector in a prescribed form in respect of payment of mining dues. A fee of Rs.5,000/- in respect of a mineral specified in schedule-I and Rs.250/- for mineral specified in Schedule-II should also accompany the application.

An application for the grant of quarry lease shall be disposed of within one year from the date of its receipt and in case of renewal before the expiry of lease, otherwise it is deemed to have been refused.

In case of refusal to grant a quarry lease the Sanctioning Authority is required to communicate to the applicant in writing reasons for refusal and refund the application fee.

Under Rule 21, the preferential right to grant quarry lease for minerals specified at S.No.1 of Schedule-I only to Madhya Pradesh State Mining Corporation Ltd. (MPSMC), for rest of the minerals of Schedule-I and Schedule-II preferential right subject to work directly is given to Co-operative Society/Association of St/SC/BC or of educated unemployed youths belonging to below poverty line, any other person, etc. In case more than one application for minerals of Schedule-I, order of preferential right will be person having; (i) Special knowledge or experience of mining and export; (ii) technical and special management experience of establishing, running and maintaining cutting and polishing industry; (iii) nature and quality of technical staff and the plant and machinery deployed; (iv) financial resources; (v) proposed industry, etc. However the sanctioning Authority for reasons to be recorded in writing and prior approval of State Government may grant a lease in variance with order of priority in sub-rule (1) and (2). Again lessee shall give priority in employment to the village residents.

The lease deed should be executed within 3 months of the order sanctioning the lease and if it is not so executed within this period, the order sanctioning the lease is deemed to have been revoked. Before a lease could be executed the grantee is required to deposit as security, a sum of Rs.10,000/- in respect of quarry lease for dimensional stone,

granite, etc. and Rs.1,000/- in respect of quarry lease of limestone and other minerals specified in Schedule-I and minerals of Schedule-II and offer two sureties or bank guarantee for due observance of the terms and conditions of the lease. All quarry leases are required to be registered. There is a provision that no quarry lease is sanctioned without obtaining opinion of the respective Gram Panchayat.

An application for the renewal of quarry lease should be made at least one year before the expiry of the quarry lease and should be disposed of before the expiry of the quarry lease and if it is not disposed of within that period it is deemed to have been refused.

If the State Government is of the opinion that public interest so requires it may grant a quarry lease on the terms and conditions other than those prescribed in these rules.

#### 13.4.2 QUARRY PERMIT

Quarry permit is issued by Zilla/Janpad and Gram Panchayat only to the residents of Panchayat where the quarry is located. An application for the grant of permit is made to the concerned Zilla/Janpad/Gram Panchayat in the prescribed Form XV alongwith a fee of Rs.25/-. The application should contain particulars as in the case of quarry lease.

An application for the grant of quarry permit is to be disposed of by the Sanctioning Authority within 60 days from the date of its receipt. However a Gram Panchayat has to obtain prior approval of its Gram Sabha before final disposal of application.

Rules also provide for grant of permit for extraction, removal and transportation of any minor mineral required for the works of any department and undertaking of the Central Government or State Government to a limited quantity of 50 Cu m. at any one time and valid for the limited duration of one month.

Grant by Auction : The rules also empower the State Government to sell by public auction or otherwise dispose of the right to remove any minor mineral in such cases or classes of cases and on such terms and conditions as it may deem fit.

#### 13.5 PERIOD AND AREA

The maximum period for which a quarry lease may be granted is 20 years with renewal clause. Again it varies between 20 years to 2 years according to minerals under consideration and purpose. Period of quarry permit varies between 2-3 years.

The maximum area in aggregate for limestone, marble and flagstone in the state that can be held ordinarily by a Co-operative Society/ Association/ Companies is 10 hec. and by an individual is 4 hec. Area of quarry permit is not specified.

#### 13.6 TRANSFER, SURRENDER, DETERMINATION

No lessee shall transfer or sublet his lease to any other person nor make any arrangements with anybody whereby even indirectly any right over the leased areas is

passed on to any other person. However, the sanctioning authority on payment of a fee of Rs.1,000/- and if transferee has accepted all the conditions and liabilities which the transferor was having in respect of such quarry lease may permit a lessee to transfer the lease. Quarry permit is non-transferable.

The lessee may determine the lease at any time by giving not less than six months notice in writing to the sanctioning authority after paying all outstanding dues of the State Government. Moreover, the lessee is entitled to surrender any part of the leased area at the time of renewal of the lease.

If the lessee does not allow entry or inspection of the leased area by an officer authorised by the State or Central Government, in that case the State Government may cancel the lease and forfeit in whole or in part the security deposit paid by the lessee. Likewise, if the lessee commits a breach of the conditions regarding the payment of royalty, dead rent, surface rent or reporting of discovery of new minor mineral or fails to commence mining operations within 6 months from the date of execution of the lease or fails to conduct such operation in a proper, skilful or workmanlike manner or fails to keep correct accounts of production despatches etc. the State Government shall give a notice in writing to the lessee asking him to show cause why he should not be penalised for the breach committed by him and directing him to remedy the breach within 60 days of the notice and if the lessee fails to show proper cause or if the breach is not remedied the State Government may cancel the lease and forfeit the whole or part of the security deposit.

### 13.7 RENT AND ROYALTIES

Dead Rent : The lessee is required to pay for every year, except the first year, yearly dead rent specified in the Schedule-IV. If the lease permits the working of more than one mineral in the same area, the State Government may charge separate dead rent in respect of each mineral provided that the mining of one minor mineral does not involve the mining of the other minor mineral. The lessee is liable to pay either the dead rent or royalty in respect of each minor mineral, which-ever is higher in amount, but not both. The dead rent must be paid in advance for the whole year on or before 20<sup>th</sup> day of the first month of the ensuing year.

The rate of dead rent currently prescribed in the Schedule-IV varies according to category of mineral and the period in years from grant.

Surface rent : The lessee is required to pay surface rent at such rates specified by the Collector of the district from time to time for the area occupied or used by the lessee for purposes of mining operations. The surface rent is payable in advance for the whole year on or before the 20<sup>th</sup> day of first month every year.

Royalty : The lessee is required to pay royalty in respect of quantities of minor mineral intended to be consumed or transported from the lease area no sooner the amount of dead rent already paid equals the royalty, at the rates specified in the Schedule-III. The rate of royalty on limestone shall be the same as fixed by the Government of India from time to time under Section 9 of the Act, Mines & Minerals (Regulation & development) Act, 1957. The State Government may, by notification in the Official

Gazette, amend the Schedule-III and IV so as to enhance or reduce the rate at which royalty/dead rent be payable in respect of any minor mineral subject to the condition that the rate of royalty/dead rent in respect of any minor mineral shall not be revised more than once during any period of three years. The rates of royalty currently in force are as follows :

**FIRST SCHEDULE (Rates of Royalty)**

Minor Mineral	Rate of royalty (Rs. Per Cu. mt.)
1. Dimensional Stone	
(a) black colour	Rs.750.00
(b) other colour	Rs.400.00
4. Flag stone	Rs.40.00
5. Ordinary sand, Bajri	Rs.15.00
7. Stone	
(a) Boulder	Rs.15.00
(b) Gitti, roadmetal	Rs.16.00
(c) Dressed stone, Khanda, Dhoka	Rs.25.00
6. Murrum	Rs.10.00
Marble used for cutting etc.	Rs.150.00
7. Marble stone for other purpose	Rs.50.00
8. *Other minor minerals	Rs.10.00

**13.8 DISPUTE SETTLEMENT PROCEDURE**

There is provision for both review or revision and appeal of the orders passed under these rules. Any person aggrieved by any order made by the State Government may, within two months of the date of communication of the order to him, apply to the State Government for review. The application for appeal, revision or review should be affixed with court fee stamp of Rs.5.00 and should be accompanied by a fee of Rs.100/-. The State Government on its own motion review any order passed by itself and pass such order in reference thereto as it thinks fit.

Where any power exercisable by the State Government is delegated to the Director of Geology and Mining or Commissioner or Collector, then no review is allowed, instead an appeal can be made within the same time by paying the same amount of fee as is provided in case of review. If the order is passed by Collector or Additional

Collector of Senior I.A.S. scale, appeal lies to the Director and if the order is passed by the Director of Geology and Mining.

The reviewing and appellate authorities may confirm, modify or set aside the order of pass such order as it may deem just and proper, after giving the affected parties an opportunity to represent their case. Any order passed by the reviewing or appellate authority is final and binding on the parties.

The State Government and Director may at any time on its own motion for the purpose of satisfying itself as to the legality or propriety of any order passed by or as to the regularity of the proceedings of any officer subordinate to it call for and examine the records of any case pending before or disposed of by such officer and may pass such order in reference here to as it thinks fit.

An appeal shall lie against every order passed under these rules by Gram Panchayat, Janpad Panchayat or Zilla Panchayat to the authority mentioned in Madhya Pradesh panchayat (Appeal & Revision) Rules, 1995. Any person aggrieved by every order passed by the Collector/Additional Collector and Director under these rules may file an appeal to the Director and the State Government, respectively.

No appeal, revision or review under these rules shall be entertained after 60 days of the date of communication of the order.

### 13.9 PROTECTION OF ENVIRONMENT

Every holder of a quarry lease has to take all possible precautions for the protection of environment and control of pollution while conducting quarrying operations, which include stacking of top soil separately, undertaking the phased restoration, reclamation and rehabilitation of lands affected by quarry operations and completion of this work before abandonment of quarry, planting of trees, precautions against damage to public places, air pollution and noise pollution, etc.

### 13.10 PENALTY FOR UN-AUTHORISED EXTRACTION AND TRANSPORTATION

Whenever any person is found extracting or transporting minerals or on whose behalf such extraction or transportation is being made otherwise than in accordance with these rules shall be presumed to be a party to the illegal extraction of minerals and every such person shall be punishable with simple imprisonment for a term which may extend to one year or with fine which may extend to Rs.5,000/- or with both. The Collector/Addl. Collector/Joint-Deputy Director/Mining Officer/Asstt. Mining Officer or any officer authorised by him or Zilla/Janpad/Gram Panchayat may seize the minor minerals and its products together with all tools, equipments and vehicles used in committing such offence. For this, prosecution can be launched in the court having jurisdiction.