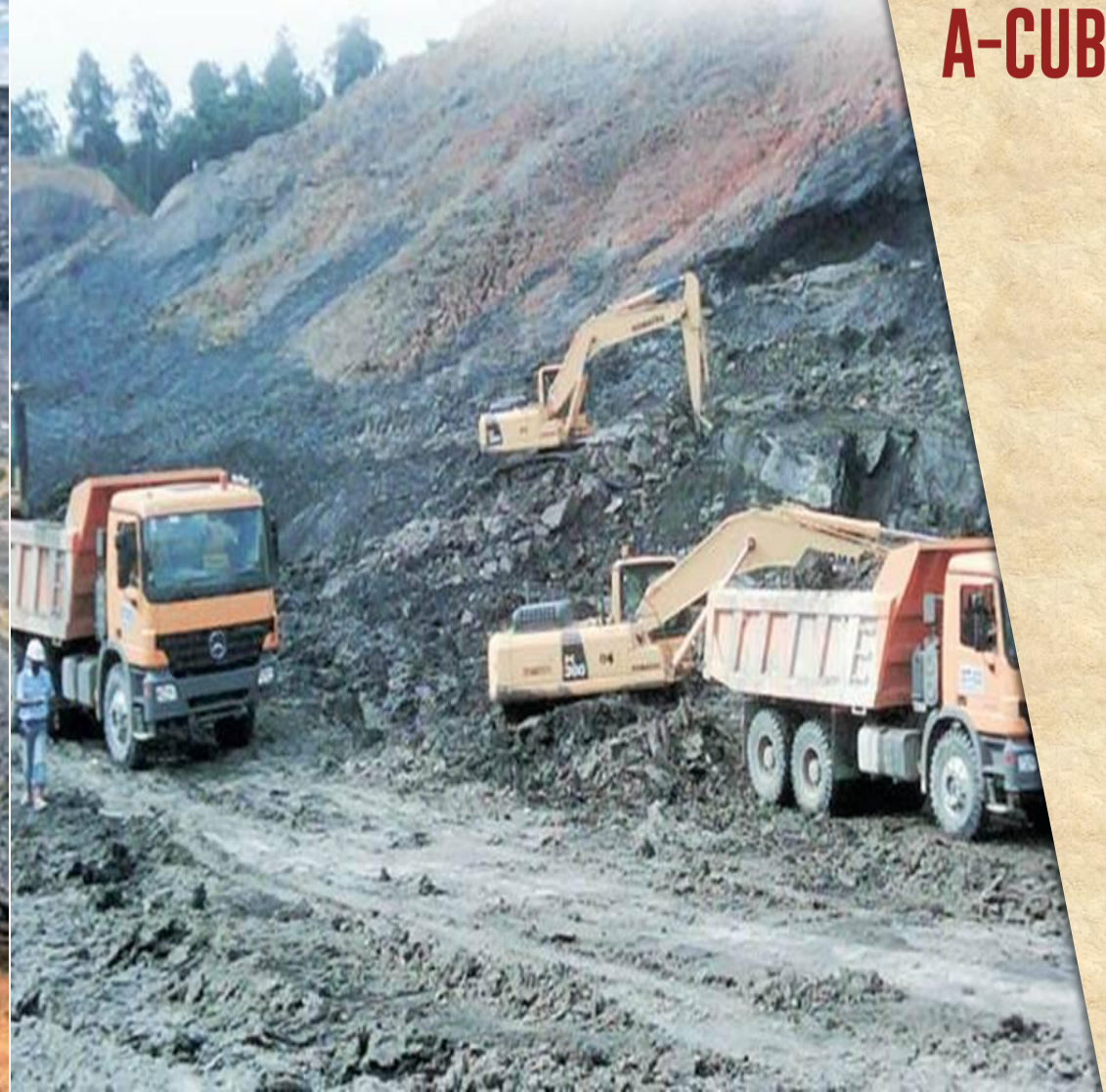


# MINERAL SECTOR IN INDIA



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# MINERAL SECTOR IN INDIA



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- ❖ In India, the minerals are classified as minor minerals and major minerals.
- ❖ **Minor Minerals:** means building stones, gravel, ordinary clay, ordinary sand other than sand used for prescribed purposes, and any other mineral which the Central Government may, by notification in \ the Official Gazette, declare to be a minor mineral.
- ❖ The word "minerals" includes all minerals except mineral oils- **natural gas and petroleum.**



# MINERAL SECTOR IN INDIA

- ❖ Major minerals are those specified in the first schedule appended in the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act 1957) and the common major minerals are **Lignite, Coal, Uranium, iron ore, gold etc.**
- ❖ It may be noted that there is **no official definition for "major minerals" in the MMDR Act.** Hence, whatever is not declared as a "minor mineral" may be treated as the major mineral.
- ❖ The major-minor classification has nothing to do with the quantum /availability of these minerals, though it is correlated with the relative value of these minerals.
- ❖ Further, this classification **is based more on their end use**, rather than level of production, level of mechanization, export and import etc.- Eg. Sand can be a major mineral or a minor mineral depending on where it is used; same is the case for limestone.



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- ❖ India produces **as many as 95 minerals**, which includes 4 fuel, 10 metallic, 23 non-metallic, 3 atomic and 55 minor minerals (including building and other materials).
- ❖ The central government has the power to notify “minor minerals” under section 3 (e) of the MMDR Act, 1957.
- ❖ On the other hand, as per Section 15 of the MMDR Act, 1957 State Governments have complete powers for **making Rules for grant of concessions in respect of extraction of minor minerals** and levy and collection of royalty on minor minerals.

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In addition to the minor minerals specified in Section 3(e) of the MMDR Act, the **Central Government has declared the following minerals as minor minerals:**

- ❖ Boulder,
- ❖ Shingle,
- ❖ Chalcedony pebbles used for ball mill purposes only,
- ❖ Lime shell, kankar and limestone used in kilns for manufacture of lime used as building material,
- ❖ Murrum,
- ❖ Brick-earth,
- ❖ Fuller's earth,
- ❖ Bentonite,
- ❖ Road metal

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- ❖ Reh-matti,
- ❖ Slate and shale when used for building material,
- ❖ Marble,
- ❖ Stone used for making household utensils,
- ❖ Quartzite and sandstone when used for purposes of building or for making road metal and household utensils,
- ❖ Saltpeter and
- ❖ Ordinary earth (used for filling or leveling purposes in construction or embankments, roads, railways, building).

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Further, Ministry of Mines, on 10 February 2015, notified **31 additional minerals, hitherto under the list of major minerals, as minor minerals**. These 31 minerals account for over 55% of the total number of leases and nearly 60% of total leased area. This was done with the intention to “devolve more power to the States, and consequently, expedite the process of mineral development in the country”. The 31 additional minerals notified as minor minerals are:

- ❖ Agate;
- ❖ Ball Clay;
- ❖ Barytes;
- ❖ Calcareous Sand;
- ❖ Calcite;
- ❖ Chalk;
- ❖ China Clay;



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- ❖ Clay (Others);
- ❖ Corundum;
- ❖ Diaspore;
- ❖ Dolomite;
- ❖ Dunite/pyroxenite;
- ❖ Felsite;
- ❖ Felspar;
- ❖ Fireclay;
- ❖ Fuschite Quartzite;
- ❖ Gypsum;
- ❖ Jasper;
- ❖ Kaolin;
- ❖ Laterite;
- ❖ Limekankar;
- ❖ Mica;



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- ❖ The power to frame policy and legislation relating to minor minerals is entirely delegated to the State Governments while policy and legislation relating to the major minerals are dealt by the **Ministry of Mines under Union /Central Government**.
- ❖ Various State Governments have indeed prescribed rules for the grant of mineral concessions in respect of minerals classified as minor minerals under the MMDR Act, 1957. Minor Minerals get specified in the schedule appended in Minor Mineral concession Rules issued by States.
- ❖ The regulatory and administrative jurisdiction of minor minerals falls under the purview of State governments.
- ❖ These include the powers to frame rules, **prescribe rates of royalty, contribution to District Mineral Foundation**, the procedure for grant of mineral concessions, regulation of their mining, control of illegal mining etc.



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# MINERAL SECTOR IN INDIA



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- ❖ In the case of major minerals, States substantially regulate and develop minerals **subject to provisions of the MMDR Act**, and after prior permissions from the central government.
- ❖ During 2020-21, mineral production was reported from 32 States / Union Territories of which the bulk of value of mineral production (excluding fuel and atomic minerals) of about 87.40% was confined to 10 States.
- ❖ **Rajasthan is in leading position**, in terms of estimated value of mineral production in the country and had the share of 17.14% in the national output.
- ❖ Next in order was Odisha with a share of 13.72% followed by Andhra Pradesh (13.32%), Telangana (8.42%), Chhattisgarh (7.84%), Karnataka (6.94%), Madhya Pradesh (6.16%), Gujarat (5.48%), Uttar Pradesh (4.26%) and Maharashtra (4.13%) in the total value of mineral production.

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- ❖ States which have indicated major increase in the value of mineral production are **Jammu & Kashmir (6.30%), Meghalaya (6.27%), Karnataka (2.53%), Rajasthan (0.50%), etc.**
- ❖ Some of the principal mineral producing states recorded decrease in value of mineral production (excluding fuel & atomic minerals) and those include **Odisha (44.23%), Jharkhand (15.21%), Chhattisgarh (13.03%), etc.**
- ❖ The term ordinary sand used in clause (e) of Section-3 of the MMDR Act, 1957 has been further clarified in Rule 70 of the Mineral Concession Rule, 1960. It is stated that sand shall NOT be treated as minor mineral when used for any of the following purposes namely;
  - (i) purpose of refractory and manufacturer of ceramic,
  - (ii) metallurgical purposes,
  - (iii) optical purposes,
  - (iv) purposes of stowing in coal mines,
  - (v) for manufacture of silvicrete cement,

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