

## CHAPTER III

### PROCEDURE FOLLOWED IN DECISION MAKING

#### **LAWS RELATING TO REGULATION AND GRANT OF MINERAL CONCESSIONS FOR PROSPECTING, DEVELOPMENT AND EXPLORATION OF MINERALS**

India has a Federal form Government and 'mining' is a concurrent responsibility of both the Central and provincial Governments. It is the Central Government that determines the overall policy. The mining sector in India is governed by two basic laws, namely the Mines and Mineral (Development and Regulation) Act, 1957 (MMDR Act,1957) and the Mines Act, 1952, together with the Rules and Regulations framed under them. For mineral oil resources the Central Government has promulgated the Oil Fields (Regulation and Development) Act, 1948. This Act gives powers to the Central Government to frame rules and the regulations for the petroleum and Natural Gas.

The relevant rules in force under the MMDR Act, 1957 are:-

1. The Mineral Concession Rules, 1960 (for major minerals) framed by the Central Government under Section 13 of the Act.
2. The Minor Mineral Concession Rules formulated by the State Governments for the Minor Minerals under section 15 of the Act but the authority of declaring a mineral as "Minor Mineral" vests with the Central Government under section 3(e).
3. The Mineral Conservation and Development Rules, 1988, framed under section 18 for conservation and systematic development of minerals as well as regulation of mining operations, excavation of minerals, storage of minerals etc.
4. The Granite Conservation and Development Rules 1999 and the Marble Development & Conservation Rules, 2002 framed under Section 18 of the MMDR Act, 1957 for conservation and systematic Development of Granite and Marble in the country.

The Oil Mines Regulations, 1984 has been formulated by the Central Government under Section 57 of the Mines Act, 1952 for systematic and safe working of petroleum. Under the Oilfields (Regulation and Development) Act, 1948 for grant of concessions i.e. Petroleum Exploration License and Petroleum Mining Lease, the Central Government has framed the Petroleum and Natural Gas Rules, 1955. Both the above concessions are granted by the State Government after obtaining prior approval from the Central Government.

The Mineral Concession Rules, 1960, outline the conditions for obtaining Reconnaissance Permit, Prospecting License or a Mining Lease. The Mineral Conservation and Development Rules, 1988, lays down guidelines for ensuring mining on a scientific basis, while at the same time concession are granted.

1. Mining lease by either application or auction/tender. The area granted under a mining lease is not less than 1 hectare and maximum area shall not exceed 10 sq. km. However, in Khatedari lands, a lease over an area down to 0.5 hectares may be granted for marble and granite.
2. Quarry Licenses over delineated plots of sizes varying from 60mx30m to 400mx200m.
3. Short Term Permits for raising specific quantity of mineral/minerals for specific purposes during a particular time period.

A mining lease under RMMCR, 1986 is granted for 20 to 30 years and is renewed subsequently each for up to 30 years such that total period under lease does not exceed 90 years. Similarly a quarry license is granted up to 15 years or shorter period initially and renewed for the same period is permitted, such that total period of a license would not exceed 90 years.

#### **GUIDELINES FOR GRANT OF LARGER AREAS UP TO 10,000 Sq.Km. UNDER RECONNAISSANCE PERMIT TO CARRY OUT AERIAL PROSPECTING**

The reconnaissance Permit is granted over larger areas up to 10,000 sq.km. under Section 6 of the Mines and Mineral (Development & Regulation) Act, 1957 in the interest of mineral development. The Central Government would permit such grant only when the party undertakes to carry out aerial prospecting over the larger areas under the following conditions.

1. Such recommendations for grant of areas made by State Governments should not exceed 5,000 sq.km. for a single prospecting license and the total aggregate area held by one single company shall not exceed 10,000 sq.kms. for the whole country.
2. This grant of large areas for reconnaissance operations shall be linked to a scheme of relinquishment. The area granted should be progressively surrendered so that
  - (i) After the completion of two year, the area would be reduced to 1,000 sq.kms. or 50% of the area granted whichever is less.
  - (ii) The area would have to be further relinquished so that the licensee is left with an area of 25 sq.kms. at the end of the third year.

3. During aerial prospecting by private parties, besides conditions as may be imposed by the DGCA and ministry of Defense, a representative of the Geological Survey of India would be ordinarily present during the aerial survey operations.
4. All data collected would be made available to the Indian Bureau of Mines as well as State Directorate of Mines as per the existing rules. This data would be stored and would be available to the public after a gap of two years. However, data pertaining to the area for which a company seeks to apply for mining lease would be kept confidential so as not to hurt the commercial interests of the Company.
5. The grant of larger areas would be linked to a minimum expenditure commitment or specific physical targets. State Governments would ensure that these targets/expenditure commitments are adhered to, failing which the reconnaissance permit would be cancelled.

The State Government keeping this condition in view, recommend to the Central Government to convey approval under Section 5 of the MMDR Act, 1957 and Rule 7 of the MCR 1960 for grant of reconnaissance permit over larger areas. Before recommending to the Central Government, consent of the party is first taken for inclusion of the above conditions and also for abiding the same during the currency of the permit.

### **MINERAL ADMINISTRATION**

The entire mineral administration of the State is controlled by the Mining Wing of the Department. For this purpose the State has been divided into Zones, Circles, Divisions having jurisdictions as given in the tables in the previous chapters.

The concessions for petroleum and Natural Gas is controlled by the Director of Petroleum, Jaipur headed by Director and assisted by Additional Director (Geology)/Geologist.

### **PROCEDURE FOR GRANT OF MINERAL CONCESSIONS**

Mineral Concessions for major & Minor Minerals are granted and regulated in accordance with the Mines & Minerals (Development & Regulation) Act, 1957 and Rules made there under. Mineral Concessions for Petroleum and Natural Gas are granted and regulated in accordance with the Oil & Natural Gas Field (Regulation & Development) Act, 1948 and the Petroleum & Natural Gas Act, 1959 made under the said Act after prior approval of the Central Government. The grant of mineral concessions for lignite is also regulated under relevant rules.

There are two categories of minerals viz. major minerals and minor minerals. The leases for major minerals are granted in accordance with the Mineral Concession Rules, 1960. Under these rules 'Reconnaissance Permit', Prospecting license and 'mining leases' are granted.

The concessions for minor minerals are granted under the Rajasthan Minor Mineral Concession Rules. The authority for framing these rules vest with the State Government but authority of declaring a mineral as a minor mineral vest with the Government of India. Minor Minerals so far declared include building stones, gravel, ordinary earth and clay, ordinary sand other than sand used for specific purposes, limestone for lime burning, morrum, brick earth, fuller's earth, bentonite, salt petre, road metal, rah mitti, rubble, granite, marble, sandstone, quartzites. Building stone includes sandstone, quartzite, schists, limestone (Dimensional), jhajhara stone, bajri, marble, granite, diorite, rhyolite, slate and shale when used as building material and few other minerals mentioned as minor minerals. Under the Rajasthan Minor Mineral Concession Rules, 1986 following concessions are granted:

1. Prospecting Licenses by application.
2. Mining leases by applications.
3. Mining leases by auction/tenders.
4. Quarry Licenses by application/tenders.
5. Royalty/Excess Royalty Collection Contracts.
6. Short Term Permits.

### **PROCESSING OF MAJOR MINERAL CONCESSION CASES**

Mineral Concession Rules 1960 framed under Section 13 of the MMDR Act, 1957 and various amendments made under these rules from time to time by the Central Government, lay down the procedure for grant of mineral concessions other than minor minerals declared by the Government of India.

### **RECONNAISSANCE PERMITS, PROSPECTING LICENCES & MINING LEASES**

1. The State Government has authorised AME/ME to receive the applications for grant of P.L./M.L. for the areas falling in their jurisdiction while applications for grant of reconnaissance permit are received in the Directorate. An application for reconnaissance permit, prospecting license and mining lease, respectively, under rule 5,9 and 22 of MCR 1960 is made in the Form A, B & I prescribed for the purpose in the rules. These forms are available on Departmental website or on stationary shops. Ordinarily 5 copies of the application forms and 6 copies of the application forms in case of mineral first schedule minerals (as per MMDR Act, 1957) should be submitted along with the required documents and prescribed application fee under MCR 1960. The following documents should be submitted along with the application forms.

(1) Attested copies of 'No dues' certificate issued by the Office of ME and AME of the Department where applicant holds ML/PL/RP or affidavit for no dues in case of the new

applicant on non-judicial stamp papers. Applicants already holding ML/PL/RP can also submit affidavit in place of 'No dues' Certificate. But they are required to submit 'No dues' Certificate within 90 days of submission of application at their own.

(2) An affidavit stating that the applicant has filed up to date income tax returns, paid the income tax assessed on his income and has also paid the income tax on the basis of self assessment as provided in the Income Tax Act, 1961.

(3) An Affidavit showing particulars of areas held under RP/PL/ML mineral-wise in the State by the applicant or any persons jointly with him. Applicant shall also furnish the details of areas applied for but not granted or being applied for simultaneously.

(4) An affidavit showing that where the land has not owned by him, he has obtained surface rights over the area or the consent of the owner and the same will be submitted before starting prospecting/mining operations. Provided that no such affidavit shall be necessary where the land is owned by the Government.

(5) Plan of the applied area on G.T. Sheet.

(6) Description of the applied area, connecting with the permanent point marked in the G.T. Sheet.

(7) Attested copies of registered power of attorney; in case other than the applicant has signed on the application.

(8) In case the applicant is a partnership firm/company, the copies of the partnership deed and the certificate of registration of firms/copies of memorandum of company and articles of association, along with the copy of Certificate of incorporation & registered power of attorney.

(9) A mining plan duly approved by the Central or State Government or any other Officer authorised by it in case of application for grant of renewal of ML.

2 The applicant will submit the complete application for RP/PL or ML along with the required fee to Directorate or the concerned/ME/AME respectively. The receiving officer shall see the application cursorily so as to examine that it is complete with other required documents. Then he will put his initials on each page on the application as well as on the enclosures and also on the corners of applied area.

- 3 The acknowledgment of the receipt of the applications for grant of RP and grant or renewal/PL or ML will be given immediately to the applicant in form D-1/D respectively and the relevant entries shall be made in the standard register. The receiving officer shall put his initials against the entry made in the standard register.
- 4 An application for renewal of PL/ML rules 9(3) and 24A is made in the performa E & J appended with the MCR 60. The material particulars and the documents to be accompanied along with the application for renewal of PL/ML, are same as in case of grant of PL/ML.
- 5 If an application is received when ME/AME is not present in his Office, the Office Assistant or any Senior Clerk shall receive the application and act according to the directions given above and put up the application immediately before the receiving officer when he returns to his office. The acknowledgment shall then be signed by the officer and issued to the applicant. The receiving officer shall also countersign on the application and the entry made in the standard register.
- 6 On receipt of the application the following action shall be taken within three days.
  - (i) One copy of the application form shall be sent in advance to Directorate and the other copy to SME circle concerned for information.
  - (ii) The pay order, demand draft received with the application shall be sent to cashier for encashment and depositing in Government account.
  - (iii) On detail scrutiny of the application, if any discrepancy is found the same shall be intimated by AME/ME to the applicant by Registered Post to be completed within 30 days under rules 5, 12 and 26 of MCR.
  - (iv) For the purpose of record and scrutiny of all applications received by the Mining Engineer and Assistant Mining Engineer a master map should be maintained on Survey of India Map on the largest available scale. In case of reconnaissance permit, master map is maintained in the Directorate under supervision of Superintending Mining Engineer (HQ). As soon as an application is received, its necessary entry made in the Standard Register. As application is dealt with as such only when it is complete in all respects. No incomplete application shall be processed further, complete application should be sent to the Draftsman for marking the area on master map & for giving his report on the availability of area. The Draftsman should make the initial marking with pencil and maintain a register giving details of the application and code number allotted to the marking on the master map. The Draftsman shall mark the sanctioned area with ink as soon as intimation regarding the execution of agreement is sent to him. Copies of orders regarding rejection of application or revocation of sanction should invariably be sent to the Draftsman and he shall there upon delete the marking and make necessary entry in his register. The master maps are important documents and should be kept under lock and key.

Under no circumstances copies of master map should be supplied to private persons but it may be allowed to be seen when any persons is allowed inspection of Standard Register under Sec.12(2) of the Act. It shall be the duty of the Head of Office or Officer In-charge to inspect the master maps from time to time and see that the maps are kept up to date. He shall submit a report to Director at the end of each year to the effect that the master map has been examined and it is kept up to date.

(v) Where more than one application is received on the same day for same area, the recommendations should be made by Mining Engineer/Assistant Mining Engineer in details for selection of suitable applicant/applicants as per provisions of the Sub-Sections (2) and (3) of the Section 11 of the Act along with details of each applicant as per the above provisions and also details of total area applied for or granted to each applicant so as to see that total area may not exceed maximum limit of 10,000 sq.km. in case of RP, 25 sq.km. in case of PL and 10 sq.km. in case of ML. Each Mining Engineer or Assistant Mining Engineer has to see that the check slip duly filled in all respect is enclosed along with the proposals. Proposals for free available area are sent to the Directorate. In case remaining area is available free for grant in favour of other applicant/applicants in order of priority, the same can be considered and proposals are sent for grant to the Directorate.

The applied area or free available area for grant should not be less than the minimum prescribed area of 4 hectares in case of ML and 20 hectares in case of PL. In case available area is less than the above limit, the applicant is given opportunity to extend the area towards free side.

(vi) On receipt of complete proposals in the Directorate, the same is submitted to the Director of Mines & Geology for approval.

(vii) The State Government has delegated powers to the Additional Director Mines/Director of Mines & Geology to grant/reject PL/ML for minerals other than those specified in the Schedule-I of the Act. DMG grants Mining Leases for those minerals which PL are granted by the Additional Director, Mines posted in Zonal Office. For PL/ML for all schedule and other remaining minerals, the proposals for grant/rejection of the application are sent to the State Government after getting approval of DMG.

(viii) In such cases where more than one application is received on the same day for same area, the recommendation should be made in detail for selection of suitable applicant or applications in the light of the provisions of section 11(2) and 11(3) of the Act, as the case may be, concrete information on the lines indicated below should be collected or obtained from each applicant being given notice of 15 days time.

(1) Any special knowledge of, or experience in, reconnaissance operations, prospecting operations or mining operations, as the case may be, possessed by the applicant;

(2) The financial resources of the applicants;

(3) The nature of and quality of technical staff employed or to be employed by the applicant;

(4) The investment which the applicant proposes to make in the mines and in the industry based on the minerals;

(5) Such other matters as may be prescribed.

7. It shall be the duty of the Mining Engineer/Assistant Mining Engineer to personally see that the application is forwarded with recommendation check slip dully filled in to the Directorate within four months from the date of receipt of application. Before forwarding the proposals the following points should be considered:-

1. Whether the application has been received complete or not.
2. Whether the applied area is as per description report submitted with the application or not.
3. Whether the applied area is completely free for grant or not. If it is partly conflicting with the area of other party, the description report of the free area available for grant should be prepared.
4. The minimum area fixed for grant is 20.00 hect./and 4.00 hect. for PL and ML, respectively, if the area available for grant is less than the limit fixed and in case where area to this extent is not available, application will be entertained for plot of land, whether the opportunity to extend the area towards free side has been given or not.
5. How much is the area already held by the applicant and if the proposed area is sanctioned, the maximum limit under section 6 of the Act will not exceed.
6. A technical report of the prospecting work done during PL should be got verified by a Sr. Geologist of the area. The report should be sent with the recommendation for grant of ML. The reasons, for which the area is not considered for development in the public sector should be indicated
7. In case, if the licensee wants prospecting license/mining lease, he is required to submit application for prospecting license/mining lease at any time but not later than 90 days after expiry of period of RP/PL or otherwise permitted by State Government.

After expiry of RP/PL period, the report of the licensee is verified at Directorate or by the concerned Sr. Geologist of the Department.

8. When the proposals are received in the Directorate, the dealing clerk will make the necessary entries in the receipt register and shall submit to Suptdg. Mining Engineer (HQ) through Office of Assistant/Office of Suptdg. Mining Engineer with their remarks. If the Suptdg. Mining Engineer (HQ) feels that any more



information is required in this respect, it will be referred back, otherwise, if it is found that the proposals are complete, it will be submitted for orders to Director of Mines & Geology through Addl. Director, Mines (HQ), as per Rules of Business approved by Director.

9. The State Government has delegated powers to Director of Mines & Geology/ADM zone to grant/reject PL for minerals other than specified in Schedule-I and mining leases for those minerals which powers have been given to ADM zone for grant of PL. For grant of ML for minerals specified in Schedule-I and remaining minerals, the proposals will be sent to Government after getting the order of Director of Mines & Geology.
10. If the applied area falls in the category of Aravalli hills, no PL/ML shall be granted as per the direction of Hon'ble Supreme Court. If the applied area possesses Charagah land, consent of the competent Revenue Authority before grant of prospecting license or mining lease is required. In case of renewal of mining lease an affidavit to the effect that mining shall be continued without further breaking charagah land and no fresh Charagah land shall be operated without obtaining prior permission of Revenue Officer.
11. If the applied area falls within the periphery of 500 meter from forest area marked on G.T. Sheets approved by Forest Department, a letter from the Forest Department confirming that the area does not fall inside any declared forest land.
12. If application is complete in all respect, the competent authority shall issue LOI with following conditions :
  - (a) To produce environment clearance from Ministry of Environment and Forest, Govt. of India if applied area is 5 hectare or more.
  - (b) Submit an Approved Mining Plan and Mine Closure Scheme
  - (c) Any other formalities which competent authority may require.
13. In respect of minerals specified in I Schedule of MMDR Act, the reconnaissance permits, prospecting licenses and mining leases are granted/renewed/transferred after obtaining prior approval from Government of India under section 5 of the Act. The State Government has been authorised for grant of renewals of Prospecting Licenses and Mining Leases for the minerals specified in part C of the first schedule. In case of minerals specified in parts A and B of this schedule, prior approval of the Central Government shall be required for grant of first and subsequent renewals.

Where two or more persons applied the same area, the applicant whose application was received earlier shall be given a preferential right over the other applicant. Where more than one applications are received on the same day for the same area, the competent authority, after consideration of the provisions of section 11(2) and the points mentioned under section 11(3) of the MMDR Act, will decide priority to suitable person and grant mining lease.

14. The period of mining lease for major minerals is 30 years unless shorter period not less than 20 years, is desired. The lease is renewed for a period of 20 years. The 2<sup>nd</sup> and subsequent renewals are granted only after prior approval of Government of India under section 8(3) of the Act in respect of minerals specified in Parts A & Part B of the I Schedule.
15. Environment Controls: The MMDR Act, 1957, the Forest (Conservation) Act, 1980 (FCA) and the Environmental (Protection) Act, 1986 (EPA) and the Rules made to regulate the Environmental Controls for the Mining Sector. For exploring and mining on the land of forest, prior permission of the Central Government is required under FCA 1980. Environment clearance is required for undertaking mining operations in case the area under M.L. is 5 hectare or more than 5 hectare.
16. As soon as the sanction order is received from the competent authority, the Mining Engineer/Asstt. Mining Engineer shall get entered relevant details in the prescribed register for sanctions and give it to the dealing clerk for taking further action. The dealing clerk shall then examine the sanction and if any discrepancy is noticed, he shall bring it into the notice of the officer, immediately. In other case he shall sent a registered notice to the applicant for completion of formalities prior to execution of agreement viz to deposit survey and demarcation charges, stamp paper, security, financial assurance etc. The dealing clerk shall give a copy of description report and plan to the Surveyor or Mines Foreman of the area concerned for carrying out the demarcation. When the demarcation and other formalities are also completed within the time limit fixed for execution of agreement, the dealing clerk shall prepare the agreement and arrange to call the applicant for signing the agreement on the date fixed in consultation with Mining Engineer/Asstt. Mining Engineer. In case the demarcation and other formalities are not completed within the time limit and the fault does not lie on part of applicant, the Assistant Mining Engineer/Mining Engineer shall propose for extension of time limit fixed for execution.

The Mining Engineer/Asstt. Mining Engineer have been authorised to execute agreement of PL on behalf of Government. In case of M.L. the Suptdg. Mining Engineer (Circle) has been authorised for execution of agreement, so the Mining

Engineer/Asstt. Mining Engineer shall get the M.L. agreement signed by applicant before him and attest the same and send to Suptdg. Mining Engineer (Circle) who shall examine it whether it is as per sanction and complete. The agreement signed by Suptdg. Mining Engineer will be returned to Mining Engineer/Asstt. Mining Engineer for arranging their registration through the concerned parties. If the lease is not registered by the party in reasonable time, the Mining Engineer/Asstt. Mining Engineer shall take action for revocation of sanction after serving upon notice to the party.

17. The original lease agreement along with stamps after registration will be sent to Director for safe custody and other copies to concerned officer/department.
18. After execution/registration of PL/ML, the Mining Engineer/Asstt. Mining Engineer shall issue memorandum to lessee giving the working permission stating details of lease etc. The copies of this memorandum shall be sent to the concerned Department, viz. Collector, Divisional Forest Officer, Tehsildar, Indian Bureau of Mines, Department of Mines Safety, Directorate, Suptdg. Mining Engineer (Circle) and ADM Zone.
19. The period of PL shall be counted from the date of execution and in case of ML the period shall be counted from the date of registration of the agreement.
20. Compliance of all terms and conditions of the License/lease should be examined regularly and wherever, breach of terms is noticed, the Mining Engineer/Asstt. Mining Engineer should initiate action to serve the licensee/lessee with a notice under the provisions of agreement. Mining Engineer/Asstt. Mining Engineer should there after take such action as is deemed necessary if the breach is not remedied.
21. On the expiry of PL period, the licensee will submit the prospecting report in a proforma prescribed by the Department. The Departmental Geologist or any other official assigned with this work shall examine the report and verify the same. After verification of the report, finalization of royalty assessment and when there are no dues outstanding against the licensee, the proposals for refund of security amount will be sent to SME. In case, the licensee does not submit the report or get the royalty assessment finalized, a 30 days registered notice should be given and even then if he does not submit the same, proposals for forfeiture of security amount should be sent to Directorate.
22. When the sanction of PL/ML is revoked or the period of PL/ML is expired and renewal application is not received or the lease determined or the area is surrendered completely or partially, in all such cases proposal to declare the area free for re-grant shall be sent to Directorate by Mining Engineer/Asstt. Mining Engineer. Area will be declared free at Directorate level.

## II. PROCEDURE TO GRANT CONCESSIONS FOR MINERAL OIL RESOURCES, i.e. THE PETROLEUM AND NATURAL GAS

The concessions for Mineral Oil Resources such as Petroleum Exploration Licenses (P.E.L.) and Mining Leases (P.M.L.) are granted as per provisions of the Petroleum and Natural Gas Rules, 1959 (PNGR,59) made under the Section 5 to 6 of The Oil Fields (Regulation & Development) Act, 1948 (O.F.R.D. Act). These are enforced by the Central Government to regulate mines & oil field and for development of mineral oil resources i.e. Petroleum & Natural Gas. The P.N.G. Rules, 59 have been framed for the regulation, development and conservation of the mineral oil resources.

The concession cases for Oil & Natural Gas are looked after the Directorate of Petroleum, Khaniz Bhawan, Jaipur.

License or lease for mineral oils is granted by the :

1. Central Govt. in case the land or mineral underlying the ocean within the territorial water or the continental shelf is wasted in the Union.
2. State Government with the previous approval of Government of India in case the land wastes in State.

Without a valid petroleum exploration license or mining lease, no prospecting or mining lease for mineral oil resources, i.e. Petroleum and Natural Gas, is permitted.

The concessions for the mineral oil resources are granted only to the Oil & Natural Gas Commission & State under taking or their Joint Sectors such as M/S Oil India Ltd. (A Government of India undertakings). Like PL/ML applications for P.E.L. & P.M.L. are submitted in the Office of the Director Petroleum and these applications are also processed in the same way as that of PL/ML applications and proposals are sent to govt. as per provisions of the ORD Act 48 and P.N.G.R. 59. The P.E.L./P.M.L. is granted by the State Government only after receipt of previous approval of the Ministry of Petroleum and Chemicals, Department of Petroleum, Government of India, New Delhi. After receipt of sanction, the area is first got demarcated by the Deptt. and then agreement is executed. Both the demarcation and agreement have to be made within 3 months.

- (3) Period of a license is 4 years, which may be extended for two further periods of one year each. In case of a lease, this period is 20 years. The Central Government may relax the above provisions by notification, if it is necessary to do so, in the interest of public.

**PROCEDURE FOR SUBMISSION OF APPLICATION FOR GRANT OF  
PROSPECTING LICENCE/MINING LEASE/QUARRY LICENCE OF MINOR  
MINERALS**

Like major minerals, the Assistant Mining Engineer and Mining Engineers have been authorised to receive applications for grant/renewal of Prospecting License, Mining Leases/Quarry License for Minor minerals under the Rajasthan Minor Mineral Concession Rules for the areas falling in their respective jurisdiction. The respective Performa for these applications are Form No. 1A, 1B and 1C appended with the RMMCR. In case the powers to grant/renewal of mining leases vest with the Assistant Mining Engineer, 2 sets of application complete in all respect all submitted. In case such powers vest with the Additional Director (Mines)/Director Mines & Geology or State Government, 5 sets of application are required to be enclosed along with each application set:-

1. No dues certificate of the Department or an affidavit to this effect (in case the applicant is new one) that he does not possess any prospecting license, mining lease or quarry license in the State and does not have any dues of the Department.
2. An affidavit of the details of mineral wise areas granted/applied for prospecting license/mining lease in each district of the State.
3. Plan of applied area along with the description report in metric system connected with permanent reference point.
4. Copy of the registered power of attorney in case the applicant is signed by a person other than the applicant, or certified copy of resolution passed by Board of directors authorising any person on behalf of the company in case the applicant is a private or public limited company.
5. (a) In case the applicant is a partnership firm, copies of partnership deed and Certificate of Registration of firm.  
(b) In case the applicant is a company, copies of Certificate of Incorporation from the Register of companies along with memorandum of company and Articles of Association.
6. Consent of Revenue Authority in case the applied area falls inside charagah land. In case of renewal of license/lease, an affidavit accepting that the mining shall be restricted in the already broken up charagah and shall commence in new charagah land falling in the leased area after obtaining prior permission of Revenue Officer.
7. In case the area falls inside Khatadari or any private land, consent of Khatedar or owner of the land.
8. Confirmation from Forest Department that the applied area does not fall inside forestland.
9. Copy of certificate supported by an affidavit from the applicant being a manual worker working in the mines, Scheduled Caste or Scheduled Tribe person/village artisan, landless labourers/ex-soldiers of Rajasthan/Department of deceased Government employed died or killed in service, etc. in descending order of priority, if the mining lease for masonry stone (excluding patti and other dimensional stone), bajri, kankar, morrum, jhanhar and dhandhla stone are required.

Where two or more persons have applied over the same area, the application which is received earlier, shall be given a preferential right over the other application received later. Where more right over the other application received on the same day for the same area the competent authority after consideration of the points mentioned under rule 7(2) of the MMCR 86 will decide priority to a suitable person and prospecting licence/grant mining lease.

The period of prospecting license is one year and is renewed for one year. The period of mining lease shall not be more than 30 years unless the applicant desired for a shorter period upto 20 years. The renewal of mining lease will be granted upto 30 years. The subsequent renewals are also granted such that the total period under a mining lease does not exceed 90 years. These grants are subject to revision of dead rent at every 5 years under Rule 18(3).

### **PROCEDURE FOR GRANT OF MINERAL CONCESSION OF MINOR MINERALS**

For minor minerals the following mineral concessions are granted as per procedure laid down in the Rajasthan Minor Mineral Concession Rules, 1986:

1. Prospecting License by application.
2. Mining leases either on the basis of application or by way of auction/tender.
3. Quarry licenses.
4. Short Term Permits
5. Contracts for royalty/excess royalty collections.

The following is the procedure for grant of prospecting license/mining leases for minor minerals:

- I. After receipt of application, the Receiving Officer i.e. Mining Engineer/ Assistant Mining Engineer of the concerned area shall issue acknowledgement receipt to the applicant after making necessary entries in the standard register as required under rules. In case, the Receiving Officer is not available, the next Senior Officer/Official of his office shall receive and put up to Receiving Officer for Counter Signature.
- II. On scrutinising the application if any shortcoming is found or any formalities are required to be completed, the same shall be intimated by Assistant Mining Engineer/Mining Engineer to the applicant by registered post for completion within 30 days.
- III. A master map of the area under the jurisdiction of Mining Engineer/Assistant Mining Engineer is maintained. As per rules the application is sent to the draftsman for marking

area on this map by pencil for knowing free availability of the applied area. After sanctioned and execution, this area is finally marked by ink.

- IV. The applied area is checked as per description reports submitted with the completion by the applicant.
- V. When two or more person have applied over the same area the applications received earlier than other, shall have preferential right for grant of lease over the other applicant whose application was received earlier under rule 7(1) of the MCR.
- VI. Where more than one application is received on the same day for the same area, the competent authority after keeping in view the matters stated in rule 7(2) and 7(3) of the MCR, will decide priority to suitable application and grant mining lease.

In case of mining leases for masonry stone and its associated minerals (excluding patti katla and dimensional stone), kankar, morrum, jhajhra stone, etc., the following categories of persons in the descending order of priority is exclusively considered in grant.

- (i) Persons who undertake to install a crusher (for mining lease of masonry stone only);
- (ii) Manual workers employed in mines;
- (iii) Persons belonging to Scheduled Castes/Schedules Tribes;
- (iv) Persons selected under Integrated Rural Development Programme of the Government;
- (v) Ex-soldiers including members of para military forces belonging to Rajasthan, who have been permanently disabled or dependents of those who have been killed in action;
- (vi) Rajasthan State Government servants who have been permanently disabled with on duty or the dependent of those who have been killed on duty;
- (vii) Unemployed graduates; and
- (viii) Other persons

When applications are received on the same day from the same category of persons, the competent authority after taking into consideration the matters specified in Rule 7(2) may grant lease to such one of the applicants.

The State Government had delegated powers to Superintending Mining Engineer/ Additional Director Mines/Director of Mines & Geology for grant/renewal/ transfer, etc. of mining lease on the basis of annual dead rent.

- VII. When sanctioned order is issued, the Mining Engineer/Assistant Mining Engineer shall send registered notice to the applicant for completion of formalities as such demarcation of sanctioned area, deposition of security, furnishing of non-judicial stamps for agreement etc. before execution of agreement. After demarcation and fixing corner pillars of the area, agreement is executed by applicant in the presence of Mining Engineer/Assistant Engineer. In case of the minor minerals, the Mining Engineer has been authorised for execution of license/lease agreement in their jurisdiction, on behalf of the Governor of Rajasthan.
- VIII The lease agreement executed by the Assistant Mining Engineer is sent for registration and after its registration the Mining Engineer/Assistant Mining Engineer shall issue a memorandum allowing to start the mining operation. In case of license, the prospecting operation is commenced after execution of agreement.
- IX Compliance of the terms and conditions of the deed of the prospecting license/mining lease is regularly observed by the Mining Engineer/Assistant Mining Engineer within his jurisdiction. Whenever any breach of terms and conditions is noticed, a 30 days legal notice is served upon the license/lessee showing details of breaches and violation of relevant rules and clause of the agreement. In case the breaches are not rectified within the notice period, the Mining Engineer/Assistant Mining Engineer takes action for cancellation of prospecting license/mining lease after expiry of the notice period.
- X When the sanction of mining lease is revoked, or the period is expired and application for renewal is not submitted or the license/lease is cancelled/surrendered, in all such cases action to declare the area free is taken after taking possession of the area by Mining Engineer/Assistant Mining Engineer.



## GRANT OF MINING LEASES BY AUCTION/TENDER

### **Procedure for grant of lease.-**

- (1) In Government land, the mining lease shall be granted after the area is first delineated, plots suitably numbered and a notification inviting application is published in two daily news papers, at least one of which is state level and other having wide publicity in the area where lease are being allotted. The notification shall be published at least 30 days before the intended date of inviting applications and shall contain the date or the period within which applications shall be received. Out of these delineated plots the committee constituted under sub-rule (3) of rule 23A shall reserve 50% of plots which shall be allotted only by auction/tender and the remaining 50% shall be allotted by way of lottery to the following categories of persons as per percentage mentioned against each category:-

(i)	Persons who undertake to install a crusher / mineral based industry;	10%
(ii)	Manual workers and widows of manual workers belonging to Scheduled Castes / Scheduled Tribes / Other Backward Classes / Special Backward Class employed in Mines;	5%
(iii)	Manual workers and widows of manual workers other than Scheduled Castes / Scheduled Tribes / Other Backward Class / Special Backward Class employed in mines;	5%
(iv)	Persons belonging to Scheduled Castes / Scheduled Tribes / Other Backward Class / Special Backward Class;	20%
(v)	Persons identified as "Below Poverty Line";	10%
(vi)	Freedom fighter/Ex-soldiers including members of para military forces belonging to Rajasthan, who have been permanently incapacitated or dependents of those who have died while in service;	5%
(vii)	Rajasthan State Government servants who have been permanently disabled while on duty or the dependents of those who have died while in service;	5%
(viii)	Persons with disabilities (disabled persons) other than those covered in categories (vi) & (vii) above;	5%
(ix)	Societies of Unemployed youth of Rajasthan; and	25%
(x)	Other persons.	10%

Provided that mining leases for mineral bajri shall only be granted by way of tender or auction.

- (2) No person shall be eligible for making application for mining lease to be granted by way of lottery who already holds two mining leases in the

respective office or three in the State for that mineral or associated group of minerals.

- (3) All applications of the applicants other than the applicant who is selected for grant of mining lease shall be deemed to have been rejected and application fee in respect of such applications shall be forfeited.

### **GRANT OF QUARRY LICENSE**

Grant of quarry license is within the competence of the Mining Engineer/Asstt. Mining Engineer is his jurisdiction. The license is granted after delineation of areas of the fixed size keeping in view the systematic working and development of quarry. No quarry license is granted unless it is notified in the Rajasthan Gazette and in newspaper having wide circulation. A master map of each quarry license boundary is maintained in the Office of Mining Engineer/Assistant Mining Engineer.

### **PROCEDURE FOR SUBMISSION OF APPLICATION AND GRANT FOR QUARRY LICENCE**

Following is the procedure for submission of the application:-

1. The application for grant of quarry license is submitted to the Mining Engineer/Assistant Mining Engineer in Form No. 1C.
2. Every application shall be accompanied by a fee which is not refundable.
3. Every application for a quarry license shall be enclosed with an affidavit duly sworn and verified by Notary Public, stating of which category he belongs.
4. No dues certificate of the Department or an affidavit that he does not have any prospecting licenses mining lease of quarry license and as such he has no dues outstanding.
5. An affidavit showing details of quarry license granted in each district of the State.
6. The quarry licenses for minerals other than marble, dolomite, rhyolite, serpentine, granite, diorite and any other rock used for slab or tile making shall be kept reserve for the following categories of persons as per percentage indicated below:-
  - i. Manual Workers belonging to Scheduled Caste/Scheduled Tribes [/other backward classes] employed in mines 10%
  - ii. Manual Workers other than Scheduled Caste/Scheduled Tribes [/other backward classes] 20%
  - iii. Persons belonging to the Scheduled Caste/Scheduled Tribes [/other backward classes] 20%
  - iv. Persons selected under "Integrated Rural Development Programme" or [or below poverty line] of the State Government". 10%

v. Village Artisans and land-less labourers	10%
vi. Ex-soldiers including members of para military forces belonging to Rajasthan who have been permanently disabled and the dependents of those who have been killed in action.	10%
vii. Rajasthan State Government servants who have become permanently disabled while on duty or the dependents of those who have been killed while on duty; and	10%
viii Other applicants	10%

The plots to be reserved for allotment of different categories of persons shall be decided by the competent authority by the method of lottery and shall be notified accordingly for inviting applications.

The minimum area for quarry license shall not be less than 60mX30m and not exceed 120mX60m. In respect of granite and marble the size is 150mX150m. The size is decided keeping in view the systematic working and development.

**Restriction on grant of quarry license:-**

<sup>1</sup>[(1) Restrictions for mining lease as provided in sub-rule (1),(2),(4),(5),(6),(8),(9), (11) of rule 4 shall also apply for the grant of quarry license.]

(2) <sup>2</sup>[ ]

<sup>3</sup>[(2a) No person shall be eligible for making application for quarry license to be granted by way of lottery who already holds two quarry licenses in the respective office.]

<sup>1</sup>[(3) In Government land, the quarry license shall be granted after the area is first delineated, plots suitably numbered and a notification inviting application is published in two daily news papers, at least one of which is state level and other having wide publicity in the area where lease are being allotted. The notification shall be published at least 15 days before the intended date of inviting applications and shall contain the date or the period within which applications shall be received. Out of these delineated plots the committee constituted under sub-rule (3) of rule 23A shall reserve 50% of plots which shall be allotted only by tender and the remaining 50% shall be allotted by way of lottery to the following categories of persons as per percentage mentioned against each category:-

(i)	Manual workers and widows of manual workers employed in mines, belonging to Scheduled Castes;	5%
(ii)	Manual workers and widows of manual workers employed in mines, belonging to Scheduled Tribes;	5%
(iii)	Manual workers and widows of manual workers employed in mines, belonging to Other Backward Class / Special Backward Class;	5%
(iv)	Manual workers and widows of manual workers employed in mines other than Scheduled Castes / Scheduled Castes / Other Backward Class / Special Backward Class;	15%
(v)	Persons belonging to Schedule Caste;	5%
(vi)	Persons belonging to Schedule Tribe;	5%
(vii)	Persons belonging to Other Backward Class / Special Backward Class;	5%
(viii)	Persons identified as "Below Poverty Line";	10%
(ix)	Village artisans and land-less labour;	10%
(x)	Freedom fighter/Ex-soldiers including members of para military forces belonging to Rajasthan, who have been permanently incapacitated or dependents of those who have died while in service;	10%
(xi)	Rajasthan State Government servants who have been permanently disabled while on duty or the dependents of those who have died while in service;	5%
(xii)	Persons with disabilities (disabled persons) other than those covered in categories (x) & (xi) above;	5%
(xiii)	Societies of Unemployed youth of Rajasthan; and	10%
(xiv)	Other applicants.	5%

- (3a) Where two or more applications are received for a particular plot of quarry license, lottery shall be drawn for selecting one of them in the presence of at least two members of the following committee:-
- (i) Superintending Mining Engineer concerned,
  - (ii) MLA of the area,
  - (iii) Collector or his nominee, and
  - (iv) Mining Engineer concerned.
- (3b) All applications of the applicants other than the applicant who is selected for grant of quarry license shall be deemed to have been rejected and application fee in respect of such applications shall be forfeited.]
- <sup>1</sup>[(4) All the applications for grant of quarry license in Government Land received and in which quarry license has not been granted, except the applications received as per the proviso to sub-rule (1) added by the Rajasthan Minor Mineral Concession (Third Amendment) Rule, 2011 or as per the provisions of rule 25 shall be rejected. The fee and security etc. deposited in respect of such applications shall be refunded.]

#### **LICENCE FEE AND SECURITY**

The annual license fee for a quarry license per annum as may be fixed by Mining Engineer/Assistant Mining Engineer from time to time. This fee is aided annually in advance. Such fee once fixed shall not be revised more than once during a period of three months.

Every license shall deposits a security equivalent to 25% of annual license fee at the time of grant for the observance of terms and conditions of the license.

Compliance of the terms and conditions of the quarry license is regularly examined by Mining Engineer/Assistant Mining Engineer and he may cancel the license after expiry of notice period.

#### **TRANSFER OF QUARRY LICENSE**

A quarry license may be transferred to a person belonging to the same category as that of the license on payment of transfer fee.

#### **SHORT TERM PERMITS**

The Mining Engineer/Assistant Mining Engineer is fully empowered to grant Short Term Permit for masonry stone, kankar, bajri, morrum, brickearth, dhandhla etc. to collect royalty from a particular area within a specified period (not more and any Government Organisation, Short Term Permits may be granted for a period longer than 4 months depending upon the period of the work Contracts.

**CONTRACT FOR ROYALTY COLLECTION/EXCESS ROYALTY COLLECTION**  
**CONTRACT**

Royalty/Excess Royalty Collection Contract is granted by auction or tender by a competent authority for a maximum period of two years. Only in respect of such area and such mineral as the Director of Mine & Geology may by a general or special order, directs. The period of the contracts may be further extended by the competent authority with the prior approval from the Director and with the consent of the contractor.

The procedure for auction and for calling tenders in respect of grant of Royalty/Excess Royalty collection contract have been shown in the rule 34 and 35, respectively.

The following is the competing authority to grant the Royalty/Excess Royalty Collection Contract and to confirm the bid.

<b>Item</b>	<b>Designation</b>	<b>Rule in respect of which powers are delegated</b>	<b>Power</b>
1.	Director	32(1) Powers to direct grant of Royalty Collection Contract by auction or tender.	Full powers
2.	Director	32(2) Powers to grant of Royalty Collection Contract by auction or tender.	Full powers
3.	Addl. Director (Mines)	-do-	Full powers upto a limit of 50,00,000/-
4.	Suptdg. Mining Engineer	-do-	Full powers upto a limit of 25,00,000/-
5.	Mining Engineer	-do-	Full powers upto a limit of 12,50,000/-
6.	Assistant Mining Engineer	-do-	Full powers upto a limit of 5,00,000/-

The procedure for maintaining register of mining lease granted by auction or tenders, execution of mining lease and observance of terms and conditions of the lease etc. are the same as applicable in case of mining lease granted by way of applications.

## **ROYALTY AND RENT IN RESPECT OF MINOR MINERALS**

In case of mining lease/quarry license for minor minerals the royalty is payable to the State Government by the holders of ML/QL at the rates prescribed in the I Schedule appended in the II Schedule of MMCR. This rate is applicable at the time of initial grant of the lease. After every year or at the time of renewal of mining lease, the annual deadrent is revised as per provisions of the Rule 18(3) of MMCR.

In case of grant of ML by auction or tender, the annual deadrent of mining lease by auction or tender, is the maximum bid offered in open auction or the higher bid shown in the tender as the case may be. In such case, the rate prescribed for dead-rent in the II Schedule of M.M.C.R. shall not be applicable. However, the annual dead rent shall be revised as per Rule 18 (3).

The rates of royalty and dead-rent prescribed for minor minerals in the first and second schedule of MMCR cannot be enhanced by the State Government more than once during any period of three years.

## **UNAUTHORISED MINING & ILLEGAL DESPATCHES OF MINERALS**

Rule 48 & 70 of Rajasthan Minor Minerals Concession Rules, 1986 relate to unauthorised working of mineral. It shall be the duty of Superintending Mining Engineer/Mining Engineer/Assistant Mining Engineer including the officers of the Vigilance Cell with the assistance of subordinate staff to regularly inspect the working of the mineral deposits in his jurisdiction and to take action against the offenders under rule 48 & 70. When unauthorised working is detected, on the spot enquiry report should be taken. There after the SME/ME/AME shall initiate the recovery of value of mineral and lodge a complaint to the competent authority against the offenders giving a statement of allegations along with the list of eye witness. A register for such demand for value of mineral and prosecution should be maintained in his office.

## **LIST OF THE FORMS PRESCRIBED UNDER RULES**

Following forms have been prescribed for various purposes under Mineral Concession Rules:-

### **A. Under Mineral Concession Rules, 1960:**

1.	Application for Reconnaissance Permit(Rule 4)	Form A
2.	Receipt for application of Reconnaissance Permit (Rule 4A)	Form D1
3.	Model Form of Reconnaissance Permit (Rule 7A)	Form F1
4.	Register of application for Reconnaissance Permit (Rule 7D(1))	Form G1
5.	Register of Reconnaissance Permit (Rule 7D(2))	Form H1
6.	Application for Prospecting License (Rule 9(1))	Form B
7.	Application for renewal of Prospecting License (Rule 9(1))	Form E
8.	Receipt of application for Prospecting License/Mining lease or renewal (Rule 10(4)&23(4))	Form D
9.	Model form of Prospecting License (Rule 15(2))	Form F
10.	Register of Application for Prospecting License (Rule 21(1))	Form G
11.	Register of Prospecting License (Rule 21(2))	Form H
12.	Application for Mining Lease Rule 22(1))	Form I
13.	Application for renewal of mining lease (Rule 24A)	Form J
14.	Model form of Mining Lease (Rule 31)	Form K
15.	Model form of Application for Mining Lease (Rule 40(1))	Form L
16.	Register of Mining lease (Rule 40(2))	Form M
17.	Model form of application for revision	Form N
18.	Model form for transfer of mining lease	Form O

### **B. Under Rajasthan Minor Mineral Concession Rules, 1986:**

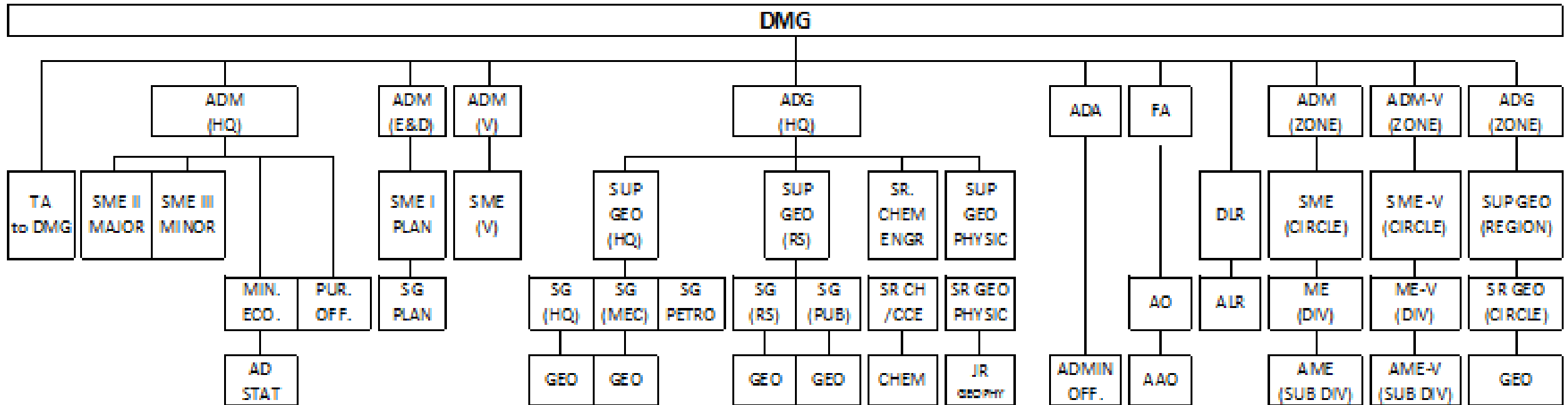
1.	Application for mining lease	Form 1-A
2.	Application for renewal of mining lease	Form 1-B
3.	Application for grant of Quarry License	Form 1-C
4.	Acknowledgement of application for grant/renewal of mining lease	Form -2
5.	Register for mining lease applications	Form -3
6.	Register for mining lease	Form -4
7.	Model form of mining lease	Form -5
8.	Register for application for quarry license	Form -6
9.	Register for Quarry License	Form -7
10.	Quarry License	Form -8
11.	Register for mining lease granted by auction	Form -9



12.	Model form of agreement for collection of royalty	Form -10
13.	Annual returns for assessment of royalty for mining lease	Form -11
14.	Monthly Statistical Returns	Form 11-A
15.	Production, dispatch and stock register	Form 11-B
16.	Rawanna Book	Form -12
17.	Model form of Notice for re-assessment of royalty	Form-13
18.	Revision application	Form -14
19.	Model Form for Transfer of Mining lease	Form-15

## CHANNELS OF SUPERVISION AND ACCOUNTABILITY

Channel of Supervision in chart form is given below



## कार्य प्रणाली में जवाबदेही

विभाग की नियमावली एवं प्रक्रिया में सरलता, स्पष्टता, खान आवंटन की उचित प्रक्रिया, खुलापन तथा वांछित जानकारी सहज रूप से उपलब्ध है और ये सभी जानकारियां उपलब्ध कराई भी जाती हैं। इन्हीं नियमों के तहत प्रभारी अधिकारियों के कार्य दायित्व निश्चित किए गए हैं। जिसका विस्तृत विवरण चैप्टर 2 (Chapter II - POWERS & DUTIES OF OFFICERS OF THE MINES AND GEOLOGY DEPARTMENT) में दिया गया है। संबंधित अधिकारियों द्वारा कार्य निर्धारित सीमा में नहीं किये जाने पर निम्न प्रकार शिकायत की जा सकती है।

खनि अभियंता/सहा. खनि अभियंता की शिकायत	अधीक्षण खनि अभियंता को
वरिष्ठ भू वैज्ञानिक एवं अधीक्षण भू वैज्ञानिक की शिकायत	अतिरिक्त निदेशक (भूविज्ञान) को
अधीक्षण खनि अभियंता की शिकायत	अतिरिक्त निदेशक (खान) को
अतिरिक्त निदेशक (खान) की शिकायत	निदेशक, खान एवं भू विज्ञान को
अतिरिक्त निदेशक (भूविज्ञान) की शिकायत	निदेशक, खान एवं भू विज्ञान को

टिप्पणी :

1. जिन मामलों में कार्य निपटाने के अधिकार खनि अभियंता/सहा. खनि अभियंता को नहीं है, वह निर्धारित समयावधि से उन मामलों में प्रस्ताव सक्षम अधिकारी को प्रेषित करेंगे एवं सक्षम अधिकारी द्वारा कार्य निस्तारण बिना देरी किये उचित समयावधि में कर दिया जायेगा।
2. कार्य निर्धारित समय सीमा में नहीं होने पर उच्चाधिकारी को शिकायत की जा सकती है। उच्चाधिकारी प्राप्त शिकायतों को रजिस्टर में दर्ज कर शिकायतों का निस्तारण 15 दिवस में करेंगे तथा संबंधित शिकायतकर्ता को लिखित में सूचित करेंगे। शिकायत अनुसार संबंधित अधिकारी के विरुद्ध कारण बताओ नोटिस जारी किया जावेगा और यदि कारण संतोषप्रद नहीं पाये गये तो नियमानुसार अनुशानात्मक कार्यवाही प्रारम्भ की जा सकेंगी।
3. अवधि में कार्य संपादित किया जावेगा, यह अपेक्षा की जाती है, परन्तु सक्षम न्यायालय द्वारा कोई आदेश यदि कार्य को प्रभावित करता है तो यह अवधि बढी हुई मानी जावेगी।

किसी भी अधिकारी के आदेश के विरुद्ध अपील/रिवीजन सक्षम न्यायालय में प्रस्तुत करने का भी स्पष्ट प्रावधान है, ताकि कार्य प्रणाली में जवाबदेही रहे और हर एक व्यक्ति को न्याय मिल सके।