



सत्यमेव जयते

Government
of Rajasthan





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of Rajasthan

Rajasthan Mineral Policy 2015

June, 2015



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1. Preamble

A mineral is a naturally occurring, inorganic substance with a definite chemical composition and a crystalline structure. Minerals are used to make household articles such as utensils, reading glasses, and even precious jewelry, including materials for constructing buildings.

Most of the mineral is extracted by surface mining, which includes open-pit mining, strip mining, and quarrying. For ore bodies that lie at a considerable distance below the surface, underground mining is considered. In both techniques, excavating and extracting mineral substances involve costly combinations of drilling, blasting, hoisting, and hauling, as well as measures for health and safety and reduction of environmental impact. The term mining industry commonly includes such functions as exploration, mineral separation, hydrometallurgy, electrolytic reduction and smelting & refining, even though these are not actually mining operations.

Rajasthan is the largest State in India. It boasts of three natural heritage: the Aravalli mountain range, the Thar Desert and Minerals. The State is a big treasure trove of minerals of indescribable qualities.

The New Mineral Policy, 2015, views that the mineral resources are finite. Therefore, the emphasis is now on introducing cutting-edge technology in exploitation, minimize wastage, waste recycle, widespread job-creation, especially to workers drawn from scheduled castes and backward communities, and greater revenue to the Government. The private sector is the fulcrum of this sector. Therefore, the Policy aims at:

- (i) development of economically sound and stable mining, minerals, metal and mineral reclamation industries;
- (ii) orderly and economic development of domestic mineral resources, reserves, and reclamation of metals and minerals to help assure satisfaction of industrial, security and environmental needs;
- (iii) study and development of methods for the disposal, control, and reclamation of mineral waste products, and the reclamation of mined land, so as to lessen any adverse impact of mineral extraction and processing upon the physical environment that may result from mining or mineral activities.



2. Background

Rajasthan is located in the north western part of India. It is the largest State in the country with an area of 342,239 sq. km., encompassing about 11% of the total geographical area of the country. The State is bounded between Latitude 23°03'-30°12' N and Longitude 69°29'-78°17'E. There are 33 districts in the State.

Rajasthan's geographical area is marked with diversity of land type and is characterized by sand dunes, fertile plains, rocky undulating land and some forested regions. The Aravalli range is considered as the oldest in the world and runs diagonally across the State. Almost two-third State is enveloped by the Thar Desert with arid and semi arid climatic conditions. The population of Rajasthan is about 7.23 crore.

The State covers an area of 342,239 sq km., out of which forest area covers 32,744.4 sq. km. (i.e. 9.57% of total land), markedly the area under mining leases/licences is approximately 1,846 sq km which is only 0.54 % of total land cover of the State.

The Department of Mines and Geology (DMG), Rajasthan, and the Department of Petroleum are the principal agencies for mineral exploration and mineral administration in the State.

Every facet of Rajasthan is unique and fascinating. So is its geology. In terms of age, its rocks range from one of the oldest (more than 3,500 million years) to recent, displaying a wide diversity of mineral deposits. Mining and smelting of base metal deposits are also amongst the oldest in world dating back to more than 2,500 years (about 500 BC).

The Zinc-Lead-Silver mines in Rajasthan date back to ancient time, exploiting both, shallow oxidised ores and sulphides. Trench, shallow mining, opencast and deep mining extending to over 250 m depth, had been identified, and use of metal tools and extensive fire setting, were prevalent in those days. Metallic Zinc was extracted at an industrial scale from the early 13th to the late 18th century. Metallurgical waste found included Lead slags, litharge from Silver refining and Copper slags.

Today Rajasthan is considered as a museum of minerals, both metallic and non-metallic including renowned building stones. It has a vantage position in having significant resources of Radioactive minerals, Lignite, Petroleum and Natural Gas.



3. Current Status of Mining

3.1 Mining Sector

Rajasthan is blessed with 79 varieties of minerals, of which 57 are being commercially exploited. Its share is 9% in the country's total mineral production. The State has virtual monopoly in the production of minerals like Lead, Zinc, Gypsum, Soapstone, Ball Clay, Calcite, Rock Phosphate, Feldspar, Kaolin, Copper, Jasper, Garnet, Wollastonite, Silver, etc. The State is proud to possess huge reserves of Lignite, Crude Oil and high quality Gas. It is also renowned for its deposits of Marble, Sand Stone and some unique decorative stones. Mining is not only a major source of employment in the rural and tribal areas of the State, but also a major source of revenue to the Government, playing an important role in the development of the State.

3.1.1 Prospecting and Exploration:

The Department of Mines & Geology initiated systematic Mineral Survey and Prospecting activities in the year 1967. They are being continued and cover about 57% (2,00,000 sq.km.) area of Rajasthan under Regional Mineral Survey (RMS); 22,000 sq.km. under Regional Geological Mapping (RGM); 4,500 sq.km. under Detailed Geological Mapping (DGM) and about 5,30,000 meterage of drilling. The planned efforts by the Department resulted in discovering world class mineral deposits like Jhamar Kotra Rock Phosphate, Rampura-Agucha multimetal deposit, Deri-Basantgarh base-metal, etc. Widespread deposits of SMS and Cement grade Limestone, Lignite, Gypsum, etc. have been located by the Department. A number of mineral deposits like Fluorite, Barytes, Magnesite, Wollastonite, Calcite, Granite, Marble, Slate, etc. have also been discovered by the Department. As a result, 3 Smelters, 23 Cement plants, a number of thermal power plants, a float glass manufacturing unit and thousands of mineral processing units and other mineral based industries have been set up in the State. Some notable global companies have also commenced their mining and industrial operations in the State. There is a huge potential for setting up new Cement plants, Lignite based thermal power units, glass-ceramic industries, and fertilizer industries in the State.

3.1.2 Mineral Concession, Production and Revenue:

The number of mineral concessions in the State in the year 1960-61 was 5,713



(500 major mineral leases, 806 minor mineral leases and 4,407 quarry licences), which has increased to 33,375 (138 major mineral leases, 15,136 minor mineral leases and 18,249 quarry licences) in 2014-15. There are 74 Prospecting Licences (PL) in operation currently.

Mineral production in 1960-61 was 76.12 lakh tonnes (27.29 lakh tonnes from major minerals and 48.83 lakh tonnes from minor minerals), which increased to 5,694 lakh tonnes (958 lakh tonnes from major minerals and 4,736 lakh tonnes from minor minerals) in 2014-15. The State's revenue from minerals was ₹92.4 lakh in 1960-61, which increased to ₹3,635 crore in 2014-15. Crude Oil has emerged as an outstanding resource in the State in recent years. It contributed revenue of ₹20,843 crore to the State till 2014-15. Petroleum drilling operations are going on in all 4 petroliferous basins i.e. Barmer-Sanchore basin, Jaisalmer basin, Bikaner-Nagaur & Vindhyasan Basin. The mining sector provides direct employment to about 7-8 lakh persons and indirect employment to about 22-25 lakh persons in the State.

3.2 Hydrocarbon Sector

- a. Total 21 blocks have been awarded in Rajasthan through nominations, joint ventures and various rounds of New Exploration Licensing Policy (NELP) and Coal Bed Methane (CBM) bidding, out of which 9 blocks have been relinquished. A number of multinational, national and private companies like Cairn Energy, Focus Energy, Birkbeck, REL/RNRL, ONGC, OIL, GSPCL, GAIL, etc. are working for Hydrocarbons in Rajasthan.
- b. The total resource potential of crude oil estimated so far in Barmer-Sanchore Basin alone is 7.2 billion barrels. (i.e., 1000 million tonnes). Out of 935 wells drilled so far, 41 oil and gas fields have been discovered in Barmer-Sanchore Basin and Jaisalmer Basin. About 30 billion cubic meter of rich and lean gas reserves have been discovered in Jaisalmer Basin in the gas fields viz. Manhera Tibba (1994), Tanot-Dandewala (1996) and SGL (Shahgarh) (2009-10), Raageshwari (2012-13) etc. Commercial production of Crude Oil from Rajasthan began from August, 2009, and establishment of an Oil Refinery in the State is under consideration.
- c. Natural gas is being produced to the tune of 15 lakh cubic meter per day from Jaisalmer Basin and 3 lakh cubic meter per day from Barmer-Sanchore Basin. It is



being supplied to Ramgarh Power Plant (110MW+160 MW) and GNFC.

- d. Oil India Limited has undertaken trial production (2009) of Heavy Oil in Baghewala, Jaisalmer area for the exploitation of proved Heavy Oil reserves of 25 million tonnes and bitumen reserves of 53 million tonnes and has produced about 1,432 metric tonnes of Heavy Oil.
- e. Exploration is underway in four petroliferous Basins viz., Jaisalmer Basin, Barmer-Sanchore Basin, Bikaner-Nagaur Basin and Vindhyan Basin covering 15 districts: Barmer, Jaisalmer, Bikaner, Nagaur, Sriganganagar, Hanumangarh, Jalore, Kota, Jodhpur, Jhalawar, Baran, Bundi, and parts of Chittorgarh, Sawai Madhopur and Bharatpur.
- f. Hydrocarbon Production and Revenue:

Year	Production			Revenue (₹ in Crore)		
	Crude Oil (million barrels)	Natural Gas (mmscm)	Royalty on Crude oil (₹ in Crore)	Royalty on Natural oil	Dead Rent, PEL Fee, etc.	Total
2012-13	62.03	269.38	5,041.46	10.03	18.39	5,069.88
2013-14	65.61	449.12	5,905.31	31.49	16.31	5,953.11
2014-15	63.38	572.80	4,782.22	51.36	15.12	4,848.70

3.3 Technological Advancements

The mining process has embraced some ideal technological advancements. Use of jack hammer and related blasting operations have now been completely substituted by modern mining techniques in hard rock mining, like using long hole ring drilling, pneumatic anfo-charging and mass blasting. Other techno-improvements include large parallel dia-drill holes, blasting bolt by vertical crater retreat system, parallel hole blasting, long hole raising, inclined raising, 60m long raising, etc.



It is a virtual transformation in dimensional stone sector. At one stage, traditional methods were used which yielded only about 15-20% recovery. A vertical upgradation has now been applied, also using wire saw method for creating opening box by cutting all faces and the bottom too. It has enhanced mining quality, capacity and stepped up the recovery to 50-60%. Quite a few variants of wire saw machines have been developed. It has transformed the scenario making it more efficient, quicker and eco-friendly.

The need has caused local manufacturers to design and innovate in wire saw process. Quarry Voyager equipment, so far used for horizontal, vertical, inclined drilling, is now being applied for core drilling as well. Uses of hole finder machine, hydraulic driller, pamter for phada toppling, heavy excavators, loaders, etc. have substantially reduced the loss of resource, thereby increasing productivity and reducing the cost. The economic benefits are loud and clear.

3.4 Stone Carving Scenario

Since time immemorial, the stone carving has been a highly skilled way of working for artisans in Rajasthan. Innumerable temples, forts and palaces have been carved out of locally available stones, like Jodhpur's Mehrangarh Fort, Jaisalmer Fort, Dholpur Palace, and architectural marvels like the Taj Mahal at Agra, Delwara Temple at Mt. Abu, Rashtrapati Bhawan in New Delhi and the recently completed Akshar Dham Temple in New Delhi.

The chisel-hammer combination continues to enthrall this sector to this day. The craftsmen and artisans engage themselves in clusters, often along main highways to display on-spot-work and passers by get impressed to place orders. Their products have found house hold acceptance: carved panels, inlay tiles, paper weights, pen stands, models of historical buildings, pillars, animal & bird figurines, etc. The jali (trellis) work is receiving wide popularity and setting a revival of age old traditional craft.

More than 80% of the deposits of Sandstone in India lie in Rajasthan, spread over the districts of Bharatpur, Dholpur, Kota, Jodhpur, Karauli, Bundi, Chittorgarh, Bikaner, Jhalawar, Pali and Jaisalmer.

3.5 Contribution of Mining Sector

While contributing 4.4% to the State's GDP, the mining sector has affected every segment of life, like improvement in infrastructure, health and medical, education, skill development, providing sustainable livelihood to a large number of people belonging to weaker sections of



the society.

The mining activity has benefitted in the local area development which is visible in the form of social infrastructure like school buildings, health centres, children playgrounds, availability of drinking water etc. Greenery is an added benefit to society through mining sector. Most of the mine operators plant trees in and around their sites and also at the over-burden areas.

3.6 Existing Acts and Rules

The following Acts and Rules are in operation to regulate mining activities in the State:

- a. The Mines Act, 1952
- b. The Mines and Mineral (Development and Regulation) Act, 1957 & Amendment Act 2015
- c. Mines Rules, 1955
- d. Mineral Concession Rules, 1960
- e. Mineral Conservation and Development Rules, 1988
- f. Rajasthan Minor Minerals Concession Rules 1986, Marble Development and Conservation Rules, 2002, and Granite Conservation and Development Rules, 1999
- g. The Rajasthan Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2007
- i. Coal Mines Regulation, 1957, and Metalliferous Mines Regulation, 1961
- j. Oil Field (Regulation and Development) Act, 1948
- k. Petroleum and Natural Gas Rules, 1959
- l. Other allied Acts and Rules, notifications, circulars issued from time to time by Government of India and Government of Rajasthan are applicable to regulate the activities of the Mining field

3.7 Need for New Policy

The Government of India initiated economic liberalization in 1991. The National Mineral Policy (NMP) was announced in 1993, opening entire mining sector for private investment



including foreign direct investment. In 1994, the earlier restriction of 40% on foreign equity was removed permitting even 100% foreign equity. The only requirement was that the company should be registered in India under India's corporate laws. "Automatic route" for foreign equity participation up to 50% was introduced in 1997 for companies mining in certain minerals whereby the investors have to go through only the Reserve Bank of India, and not seek any Government approvals. For gold, silver, diamond, etc. approval of Foreign Investment Promotion Board (FIPB) is required, based on certain parameters.

Significant changes have taken place since the National Mineral Policy 2008 was initiated. The State's Mineral Policy 2011 revealed certain limitations, particularly in case of minor minerals where provisions of granting mining lease in Government land (including forest land) after delineation, proved to be a big hindrance for new grants and for mineral development. The Policy had also been silent regarding allotment of minor mineral concession in the tribal areas and for the upliftment of tribals.

In case of major minerals, the Policy seemed to have a narrow perspective regarding restricting grant of certain minerals like Gypsum, Rock Phosphate, Potash, SMS Grade Dolomite, SMS Grade Lime Stone to public sector undertakings. This reduced the public participation. Provisions made for allotment of mineral concession by joint venture through RSMML in tribal area also proved to be insufficient and no concessions could be allotted in past year. This adversely affected the mineral exploitation in tribal areas. The State had also to sacrifice probable revenue and employment opportunities.

Due to such restrictions on grant, illegal mining emerged as a big threat. Some provisions made in the policy have not been implemented till now as they were not found to be feasible.

In recent past, the construction industry has grown by leaps and bounds. The mineral based industries, especially cement, have assumed bigger dimensions. This sector is poised for major growth. Therefore, it was felt essential that the State now should devise a new Policy with a holistic approach in public interest and to attract new investment in the industrial-mineral sector in the State.



4. Vision for the Future of Mining in Rajasthan

The Department of Mines and Geology (DMG) has been formed with the purpose of discovery, development and administration of mineral resources in the State and its aims are to:

1. customize regulatory framework to suit local conditions for fulfillment of "Minimum Government, Maximum Governance" motto;
2. increase Rajasthan's revenue from mining;
3. raise significantly the contribution of mineral sector in the State's economy;
4. increase "land under mining" from the current 0.54% to 1.5%;
5. increase the number of minerals under mining from 57 to 79;
6. create gainful and secure employment in the mineral sector and provide alternative sources of income particularly for the rural population;
7. ensure high participation in mining from different types of business and individuals with strong, efficient and safe mining industry;
8. introduce modern technology in exploration and exploitation to facilitate growth in the sector; and
9. ensure ecological responsibility through systematic, scientific and sustainable mining.



5. Framework

5.1 Policy Statement

A futuristic Policy endeavoring propagation of sustainable mineral extraction regime aiming zero waste by adopting systematic and scientific mining with due safety, productivity, conservation, cost-effectiveness and adhering to the threshold parameters of environment, social commitments, health and welfare of people employed therein, utilizing the mineral resources after value addition to augment the financial resources of the State.

5.2 Objectives

- a. To infuse greater transparency and enhance efficiency in grant of mineral concessions by simplifying the procedure and adopting e-governance;
- b. To provide conducive framework of procedural, regulatory, fiscal and legal aspects in the investment regime;
- c. To enhance exploration of mineral wealth of the State with the help of in-house facilities available and outsourcing other modern techniques through private participation;
- d. To gear-up oil and gas exploration and its related production activities in the State, step up value addition in hydrocarbon sector;
- e. To develop scientific mining techniques with due regard to safety, productivity, conservation, cost-effectiveness, environmental and social sustainability;
- f. To encourage investors (present and potential) for establishing mineral based industries in the State by creating a favorable and transparent environment;
- g. To promote research and development in association with private companies;
- h. To develop human resource and fulfillment of social responsibility
- i. To develop, enhance and maintain viable infrastructure;
- j. To boost employment opportunities;
- k. To curb illegal mining effectively; and
- l. To enhance efficiency of the Departmental officials by conducting trainings and seminars.



5.3 Challenges

Several challenges, both strategic and operational, currently obstruct progress in the sector. These need to be addressed in order to capitalize on the mining opportunity of the State.

5.3.1 Strategic Challenges:

The sector faces three major strategic challenges that impede the identification and monetization of the current mineral footprint:

- a. Limited data exist on mineral availability, which impedes decision making. In the absence of such mineral data, mining auctions might not be attractive to companies unsure of the potential value of mineral reserves;
- b. Value addition and setting up of mineral based industry;
- c. Conducive environment for conducting business by simplified and transparent methods of mineral concessions catering to the needs of a large range of mining stakeholders.

5.3.2 Operational Challenges:

Investing in the mining sector is beset with operational challenges that hinder execution of identified strategies.

- a. Key characteristics (fiscal, legal and regulatory framework) of the mining leases can be revisited to enhance the economic attractiveness of this sector;
- b. Technological innovations, critical for sustainable exploitation with zero-waste mining in the State. In addition, Government-owned laboratories and equipment need to be updated;
- c. A major thrust is required for environmental concerns, social responsibility and development of infrastructural facilities in mineral bearing areas;
- d. Curb illegal mining;
- e. Finally, human capital needs to be developed significantly across the mining value chain e.g., technocrats, supervisory staff, skilled and unskilled workers.



6. Strategic Challenges

6.1 Enhance and Expedite Reconnaissance and Prospective Programmes

6.1.1 Modernize and accelerate the exploration technologies for investigation:

- a. Due to the diversity and unique favourable geological horizons and varieties of minerals in the State, detailed exploration using modern technologies will be done to identify mineral resources. This would facilitate exploration, leading to the unlocking of huge mineral wealth and facilitating the national and international organizations as well as entrepreneurs;
- b. Renovation of the Departmental Chemical Laboratory and induction of the latest technology by procuring advanced equipment like Bomb Calori Meter, Digital Reflectance Meter, Atomic Absorption Spectrometer, Induced Coupled Plasma Mass Spectrometer, etc., for mineral analysis and Portable XRF, DGPS, Bore hole Camera, Bore hole Scanner, Analyser and Logger, Satellite Imageries, Exploration Software, etc., to expedite exploration activities;
- c. So far, base metal and noble metal exploration in the State has been carried out up to shallow depth. Since the inception of concept of RP, 45 RPs were granted and air-borne surveys have been carried out by multinational and joint venture companies, 810 air-borne anomalies have been identified which will be further investigated. On the basis of further investigation, new base metal, noble metal anomalies and subsequently mineral deposits at deeper horizons will be located, thereby attracting direct foreign investment.

6.1.2 Reservation of Mineral Bearing Land:

- a. Huge mineral wealth is confined to forest areas, it is proposed to carry out exploration in forest land as per the provisions of Forest Conservation Act, 1980, and guidelines issued by Ministry of Environment and Forest from time to time;
- b. Mineral bearing areas will be entered in the revenue records. A system will be introduced to ensure that potential mineral bearing areas are not transferred for any purpose other than mining.

6.1.3 Mineral Directory:

The State Mineral Directory will be updated periodically regarding mineral wealth of



Rajasthan indicating location of deposits, their reserves, grade, uses, etc.

6.1.4 Mineral Atlas/Geo-Informatics Mineral Resource Information System:

- a. The Government will facilitate the creation of a comprehensive Mineral Atlas for the State. A 'Geo-informatics Mineral Resource Information System (GMRIS)' is to be developed for the State with co-ordination of GSI which will digitize and publish the baseline data (existing and additional data of other exploring agencies) in public domain;
- b. The GSI with the help of DMGR shall maintain a database in accordance with the Minerals (Evidence of Mineral Contents) Rules, 2015. The data base will comprise both mineral resource inventory and a registry with details of greenfield, brownfield and relinquished mineral areas, based on the data procured from various exploring agencies in the State;
- c. Geological and geophysical data in spatial as well as non-spatial formats including data gathered during reconnaissance and prospecting will also be put on public domain.

6.1.5 State Mineral Exploration Trust (SMET)

A State Mineral Exploration Trust, a non profit body, to finance exploration activities will be constituted for exploration of minor minerals. An amount which is equivalent to such percentage of royalty paid as may be prescribed by the State Government to be paid by lessees.

6.2 Value Addition and Setting up of Mineral Based Industries

- a. The strategies for integrating mining into the economy will include developing the State's ability to provide essential inputs to the mining sector, offering incentive schemes to promote mineral beneficiation investments, promoting forward linkages through development of value adding activities, encouraging the acquisition of modern cost-effective technologies to produce high quality mineral products for world markets;
- b. Rajasthan has huge mineral resources but lacks establishment of end-use industry. Value addition or processing of many of the minerals is being done outside the State. Efforts will be made to attract mineral based industry in the State which will boost employment opportunities and increase revenue. Value addition through latest techniques of beneficiation, calibration, blending, sizing, concentration,



- pelletisation, purification and general customization of product will be encouraged;
- c. Mining Leases will be continued to be mortgaged in favour of financial institutions for procurement of term loans;
 - d. Reservation in the areas delineated for allotment of Mining Lease will be provided for existing or new mineral based industries in the State;
 - e. For technical advancement, acquaintance of rules/regulation to lessees and promotion of export of minerals, regular mineral fairs, exhibitions and seminars will be organized by the department in association with mining associations;
 - f. Government has already set up a glass and ceramic complex at Giloth (Alwar) and proposes to set up one more ceramic hub at Sathana (Ajmer). The Government will provide infrastructure facility and give financial support to mineral-entrepreneurs so that glass and ceramic industries are established;
 - g. Government will help in establishing cosmetics, pulp, paper, fertilizer industries and PoP in the State to support mineral producers;
 - h. Rajasthan has more than 5,720 million tonnes of Lignite reserves. The State holds 13% of the country's resources and stands second after Tamil Nadu. Being a power deficient State, there is a need of power generation for the overall development of the State. At present 13 units of lignite based power plants are under operation (1,715 MW) and new units are expected to be established. More lignite blocks will be identified for power generation. Efforts will be made for setting up more lignite based thermal power plants in the State;
 - i. Rajasthan possesses vast deposits of Limestone, spread over in 25 districts. Based on this, 23 major cement plants, having an installed capacity of 69.75 million tonnes are in production. The Department has notified number of cement grade Limestone blocks for setting up new major cement plants, yet 42 explored blocks are available for notification;
 - j. It is a major objective of the Department to ensure that more base metal and noble metal areas are explored and leased out and hence it will make adequate plan accordingly;
 - k. Mineral based industries using waste and reject materials lying at mine sites (such as marble, granite, other decorative stones, etc) will be promoted;



- l. Underground Coal Gasification (UCG) in identified Lignite blocks will be set up. CNG stations along national highways Ahmedabad-Udaipur and Palanpur-Sirohi route will be set up. Bio-conversion of lignite to methane will be promoted;
- m. In order to maximize the developmental impact of mining, the Government will aim to foster economic inter-dependencies between mining and other sectors and ensure that the benefits of mining development accrue to the rest of the economy especially through value added maximization.

6.3 Create Conducive Investor Friendly Environment

The Government will implement a progressive resource allotment process using a fair and transparent mechanism.

6.3.1 Simplification of procedure:

- a. Disposal of mineral concessions within a prescribed time frame will be adhered to;
- b. The existing powers delegated to zonal /circle level offices would be enhanced;
- c. Transparent system along with equitable and just criteria will be adopted in notifying the promising areas for grant of mineral concessions;
- d. Oil, Gas and Coal Bed Methane (CBM) Blocks are granted by State Government after allocation from Central Government through NELP and CBM Bidding respectively. The State shall grant these Licenses/Leases expeditiously;
- e. In minor mineral rules, procedure for surrender of mineral concession will be simplified;
- f. Reference will be made to Central Government for expeditious disposal of diversion of forest land;
- g. A State level high power committee headed by the Chief Secretary will be constituted, that will keep a tab over the system of giving environment & other clearance;
- h. Suitable mechanism will be institutionalized to monitor the applications and to oversee the clearance of the applications by various departments, in a time bound manner.
- l. Verification of pending G.T. sheets from the forest department will be done on priority basis and reduce the limit of 500 meter to 250 meter distance for deemed land status report of forest;



- j. NOC from District Collector will be taken within 30 days at Lol stage, instead of obtaining NOC from District Collector and Divisional Commissioner in 60 days at execution stage;
- k. A copy of memorandum of Lease Agreement will be sent to District Collector and Tehsildar for mutation in revenue records. It will be compulsory for the revenue authority to do the same within one month;
- l. No land shall be allotted by revenue department to any person within the allotted mining area or in mineral bearing area mutated in revenue records, without the consent of the department;
- m. No-dues certificate will have to be submitted at the time of applying for a quarry license/prospecting license/mining lease. The fresh no-dues certificate will be asked for only at the time of the execution of the lease deed and that also if the previous one is expired;
- n. Exemption will be provided to mining projects making large investments in the State to hold agricultural land in excess of the ceiling limit provided in the Rajasthan Imposition of Ceiling on Agricultural Holding Act, 1973;
- o. Where in past the applicant has applied for a mining lease in the khatedari land and the khatedar has surrendered his khatedari rights, but the mining lease could not be allotted to him due to notification dated 3.4.2013, preference will be given to such an applicant for fresh allotment, provided Khatedari rights are restored by competent authority.

6.3.2 E-governance:

6.3.2.1 Online submission and processing of mineral concession applications:

- a. Latest GIS software will be procured for timely scrutiny of applications;
- b. High resolution satellite imageries will be procured and base map will be prepared for the purpose of background display;
- c. Listing the coordinates of various FRPs of the areas granted, applied and reserved on the official website;
- d. Status of application and free area detail will be available online to the applicant;
- e. Processing of all mineral concession applications will be carried out



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online;

- f. All information/notices will also be given to the lessee/applicant through e-mail/sms alerts;

6.3.2.2 E-tendering/E-auction will be adopted for awarding all royalty collection contracts;

6.3.2.3 The Departmental website has already been integrated with "e-GRAS" for e-receipt and revenue is being received through net banking on real time basis with confirmation through sms/e-mail and auto updating of demand register. The facility of e-receipt will be further extended through debit card and credit card;

6.3.2.4 Real time issuance of e-rawanna from lessees login;

6.3.2.5 Integration of lessees/stockist weigh bridge and other notified weigh bridge with department's server to get real time weight/quantity of mineral dispatched;

6.3.2.6 Provision of online e-return by lessees/stockist's;

6.3.2.7 Integration of Departmental digital GT sheets with Forest Department's G.T. Sheets to simplify forest land status report;

6.3.2.8 A helpline/call centre will be started to assist applicants/lessees.

6.3.3 Investor outreach team:

6.3.3.1 The Department will create an "Investor Outreach Team". The objective of this team will be to help channellise investment in the mining sector in the State through engagement with major investors and to assist them with key processes. A separate Cell shall be created at Government level to especially attract foreign investors in the mineral sector.

- a. This team will act as a single point contact for entrepreneurs to resolve all problems in getting concessions and establishing mineral based industrial ventures.
- b. This team will review the current mechanism for fixing of dead rent and royalty rates and identify an alternate market-linked mechanism that is feasible to be implemented by the State.



7. Operational Challenges

7.1 Fiscal, Legal and Regulatory Framework – Conducive to Investment Regime

The Government will formulate and implement concession rules comprising following provisions for minor minerals which are conducive to investment in exploration and mining development, attracting and sustaining foreign and indigenous investment and harmonizing small-scale and large-scale mining operations.

7.1.1 Allotment of Mining Leases:

The Government will implement a progressive resource allotment process using a fair and transparent mechanism. Recognizing that there are mineral-specific market dynamics which need to be considered while granting mineral concession, a site-specific approach considering key parameters such as level of known mineralization, differences in competition or margin structures, pricing and demand, investment required, technology intensity, etc. will be implemented. Mining leases in Government land where departmental prospecting has been done after reserving the area, delineation will be done. Such delineated area/plots shall be granted by way of tender or auction/lottery and otherwise by application. The Government will also explore the possibility of adopting Swiss Challenge Model in allotment of mineral concession.

7.1.2 Provision regarding minerals converted from major mineral to minor mineral:

Government of India has recently declared 31 major minerals as minor minerals. The dead rent and royalty of these minerals have been fixed on the basis of demand, grade and sale price of the mineral and by comparing previous royalty rate as major mineral, sale price published by Indian Bureau of Mines and actual pit mouth sale price.

Mining lease shall directly be given in areas where there is an evidence to show that the area for which the lease is applied for has been prospected earlier or the existence of mineral contents therein has been established otherwise than by means of prospecting of such area. Where occurrences of the mineral have not been proved otherwise, prospecting licence shall be granted. Minerals like Quartz, Feldspar, China Clay, Ochre, Silica Sand, various clays, Dolomite, Gypsum, Kaolin, etc., occur at surface. To restrict the tendency to hold a large area under



prospecting licence for a long time and unauthorized excavation of minerals, direct mining leases of these minerals shall be granted. The minimum size for mining lease of these minerals shall be 4.00 hectare. Similarly, minimum size for prospecting licence of these minerals shall be 20.00 hectare.

7.1.3 New Schedule for minor mineral:

A schedule for minor mineral categorization will be made to classify the minerals used for building/construction purpose and industrial purpose.

7.1.4 Period of Mining Leases:

New leases shall be granted for a period of 50 years and the period of existing leases shall be deemed to have been extended up to 50 years from the date of initial grant and the subsequent extension shall be granted for 20 years each subject to condition that total lease period shall not exceed 90 years since initial grant.

7.1.5 Lease Grant period (dies-non):

The period of lease granted shall be deemed to have been extended equal to the period for which the mines remain closed due to a court/tribunal order or due to any Government order.

7.1.6 Area of Mining Leases for Bajri:

Currently, mining leases of bajri in river bed are allotted tehsil wise/stretch wise. To encourage small miners and better mineral administration, mining leases of bajri from 5.00 hectare to 50.00 hectare will also be allotted on the basis of availability of the area and the mineral deposits.

7.1.7 Provision of Special Permit for removal of Bajri in Khatedari land:

To curb illegal mining and to restore agriculture land, the provision of a special permit for the removal of Bajri in Khatedari land accumulated due to flood/overflow will be made.

7.1.8 Provision of special permit for Murram:

Currently, there is no mining lease of the mineral Murram. A large quantity of murram is required in various works like raising embankment, leveling, filling, etc. Murram is produced during extraction/mining of various minerals. Hence, a new provision will be made in rules regarding a special permit for murram. This will help



in infra project development viz. building roads, irrigation dams, railway projects, etc.

7.1.9 Redefining mining of brick earth, ordinary earth/ordinary sand:

Digging or extraction of brick earth/ordinary earth/ordinary sand used for making bricks, pottery or used for filling/leveling embankment/roads/railways up to a depth of 2 meters does not cause adverse impact on environment. Therefore, a separate provision will be made in rules not to treat such digging or extraction as a mining operation.

7.1.10 Restriction of lock-in period for initial transfer will be removed:

Currently, there is a 2 years lock-in period for transfer of a mining lease and 1 year lock-in period for transfer of a quarry license. Such restriction will be removed except for mining leases allotted by way of lottery.

7.1.11 Reduction of size of Sandstone leases in Khatedari land:

Currently, the minimum size for grant of mining leases in Khatedari land is 4.00 ha. To eliminate chances of illegal mining in small gap areas and to provide maximum opportunity to small tenants holding less than 4.00 ha. land, it has been decided to reduce the minimum prescribed size for Sandstone in khatedari land to 1.00 ha.

7.1.12 Provisions regarding khatedari land and khatedari rights:

In the interest of mineral development and to resolve the disputes of a khatedar and a lessee, provisions will be made regarding not obtaining registered consent again in case of a lease transfer or the change of khatedari rights, where the original lessee has obtained registered consent or the original khatedar has given registered consent, as the case may be.

7.1.13 Enhancing the size of leases:

To reduce the chances of illegal mining and to encourage systematic and scientific mining, adjoining Government/Khatedari land and gap areas will be added in existing leases/quarry licences.

7.1.14 No new Quarry License delineated in fresh/new area:

No new quarry boundary shall be delineated and no quarry licenses shall be granted in khatedari land.



7.1.15 Increasing the period of Quarry Licence:

Currently, there is a provision of granting a quarry licence for a period of 5 to 15 years and the period of subsequent renewals is 10 years. For facilitating small miners, the period of a new quarry license in existing boundaries and the renewal period will be increased to 30 years.

7.1.16 Increase in the period of RCC/ERCC:

RCC and ERCC contracts will be given for three years with an increase of 10% of yearly amount after every year.

7.1.17 Lime Stone (Dimensional Stone) and Slate Stone:

Lime Stone (Dimensional Stone) commonly known as Kota Stone is used as flooring stone in domestic and international markets. Deposits of this mineral occur in Kota (Ramganj Mandi), Jhalawar and Chittorgarh districts. Although mining of Kota Stone has been going on for a long time, there has been a considerable wastage of this mineral due to indiscriminate blasting of unsplittable layers during extraction of splittable limestone.

New leases for this mineral will be granted to such entrepreneurs who are prepared to adopt mechanised mining and resort to block mining of unsplittable layer of the stone. This will reduce the wastage of the mineral. Similar policy will be followed in the case of Slate Stone.

7.1.18 Grant of mining leases in Devasthan land:

Mining leases in the Devasthan Department's land will be granted to an applicant who obtains NOC from the Devasthan Department.

7.1.19 Grant of mining leases in Forest land:

Mining leases in the forest land will be granted to the applicant who obtains diversion of forest land from MoEF.

7.1.20 Regularisation of Bapi Rights:

Bapi Rights in Makrana, Nagaur, Sojat and some other areas, which have been outstanding for long, will be resolved and regularising such rights with certain conditions and suitable amendments shall be made in rules to regularize Bapi rights.

7.1.21 Provision regarding Mutation:

Currently, in case of the death of a concession holder/contractor, there is no



provision in rules for mutation of lease/licence/contract/permit, etc. For the sake of clarity and easy disposal of cases, a uniform procedure will be laid down in the rules.

7.1.22 Provision regarding Grant of Brick Earth Permit:

Currently, the royalty is charged on brick earth from a permit holder. To streamline royalty collection system, it is decided that royalty will be recovered from vehicles carrying bricks at the Departmental Naka or through Royalty Collection Contract.

7.1.23 Relaxation regarding NOC from local bodies in allotment of gap areas:

The provision of NOC from local bodies will be relaxed for allotment of gap areas lying between existing mining leases or Quarry licences.

7.1.24 Looking to the limited resource of mineral sand, transportation of sand across State border shall be restricted.

7.1.25 Simplification of Assessment of Royalty:

Currently, many assessments are pending due to varied reasons. Hence, provisions of self assessment will be made for leases that are covered under excess royalty collection contract. Provision will be made for time barring the assessment if the assessment which includes an assessment by way of the best judgment is not done by the assessing authority within one year.

7.1.26 Settlement Committee:

Settlement Committees will be constituted at various levels to resolve the issues pertaining to outstanding demand of dead rent, royalty, assessment, penalty, interest, etc., except illegal mining, transportation and storage of minerals, subject to deposition of 50% of the amount. This will expedite payments of dues involving disputes and will give an extra opportunity to aggrieved persons.

7.1.27 Procedure for issue of Transit Pass:

Separate provision will be made in rules regarding the issue of transit pass to dealers for re-dispatch of royalty paid minerals.

7.1.28 Machinery with boom height more than 3 meters shall not be allowed in extraction of river sand.



7.1.29 Promotion of wet drilling:

To control the pneumoconiosis and silicosis in sand stone bearing area, wet drilling will be promoted. More emphasis will be given on regular health check of mining labour.

7.1.30 Storage of Explosive and Magazine:

Efforts will be made to insist the lessees of group of mines to establish a common explosive magazine as per provisions of Indian Explosive Rules, 2008, and manage the affairs of magazine.

7.2 Technology

7.2.1 Systematic and Scientific mining:

There is need to enforce scientific and systematic mining practices so that the precious natural resources are not left unutilized. For proper implementation of proposals made in the mining plan and to ensure scientific mining, the leaseholder will be insisted to appoint a technical person with requisite experience. It will be endeavored to develop standard process for each operation incorporating safety features.

The Department will have joint efforts with IBM and DGMS to fulfill the objectives of scientific and zero-waste mining, and entrepreneurs will be allowed to utilize the waste lying in several mines on nominal charge. Significantly, the Department will invite global expertise for meaningful new uses of the waste generated by mineral exploitation.

Committees of technical experts including mine owners/agents/managers will be constituted to impart knowledge of techniques of systematic and scientific mining. The Department will organize exhibitions and fairs to showcase new mining machinery, tools, equipment, products, etc. to generate education and awareness on new technology trends. This will facilitate the adoption of modern technology by the mining companies.

7.2.2 Innovative Mining and Testing Facilities:

The technological level of the small scale mining sector needs to be upgraded to help it to be more self reliant, viable and sustainable. The economic viability of the small scale sector depends upon its ability to produce cost effective and market



products either in the local economy or for export.

For mechanization, there is need for tools, artifacts and modules of mechanized equipment complement that should be simple, maintenance free, durable, environment friendly and that can be largely built by the miners themselves or by local craftsman. There is need to invest in related R&D in a massive way and optimize the competitive advantages. The Department will initiate a new programme towards this need.

a. Research and Development (R&D):

Currently, there is lack in scientific prospecting, assessment of deposits in terms of quantity, quality and various other physical and chemical parameters. Mine lessees and mineral processors have modified the mining technique or some operating plant and machinery to suit the demand of the buyers.

Government will insist big entrepreneurs to develop R&D facilities in the different regions of the State. This will help in transfer of technology from abroad, reduction of waste, better utilization of manpower, protection of environment, safety of workmen and economic scale of operations. The major thrust of R&D will be in the areas of dimensional stone, limestone and mineral based chemical industries.

b. Testing Facilities:

The mineral industry requires a large number of tests for quality control as well as for marketing purposes. These tests relate either to physical/mechanical properties or to chemical composition of mineral. In case of export oriented products, particularly granite and marble, there is long list of properties which will be made available to prospective buyers. In the absence of such facilities, small mine owners find it difficult to carry out mining operations systematically and to market their product.

The State Government will establish a new R&D Laboratory/Centre. The State will encourage private and Government organizations involved in R&D for standardization and testing of stones as per international standards with mechanical tests and environmental tests at nominal rates. The State DMG is equipped with such test facilities. Wide publicity will be given about these facilities.



For proper utilization of abundantly available clays, comprehensive R&D work is the need of the hour. For this purpose, Ceramic Laboratory existing in the Directorate will do R&D works for beneficiation and up-gradation of the same. To prepare Environment Management Plan (EMP), one needs the data about soil, water, noise, vibration effects, etc,. It is, therefore, essential to establish a regional testing facility at least for important minerals. The Government will insist major entrepreneurs to develop testing facilities and also provide mobile testing van, to start with in the important mineral bearing areas. It will benefit small miners.

7.2.3 Investments in Infrastructure:

- a. The State is well connected with the rest of the country through broad gauge railway lines and road network like Golden Quadrilateral, East-West corridor, mega highways and other district/sub divisional/village links. Many important petroleum and gas pipelines pass through Rajasthan. Yet there is need for improvement of existing infrastructure in the mineral-bearing regions;
- b. Development of roads within the mining areas and connecting roads to railway stations will be given top priority as mines are generally located in remote areas. Well developed and reliable economic and social infrastructural facilities, such as transport, water supply, power supply, communication, education, health services and recreation are vital for the mining sector's development;
- c. It has been mentioned in National Mineral Policy, 2008, that the Government of India will support States in developing infrastructure in and around mining areas. Therefore, Government of India will be requested to come out with a plan-programme for infrastructure and other related development in mining areas;
- d. Whenever a company covered under CSR, takes up mining work, it will develop transportation network and carry out other development of the area;
- e. A coordination cell will be developed between central and local government under different schemes like health, education, road, rail and industries for creation of various facilities in mining areas;
- f. Looking to the importance of approach roads in mineral areas, it has been



decided that wherever feasible, the construction of approach roads to mines will be taken up under MNREGA/BOT/PPP mode. A master plan for such roads will be prepared by the Department;

- g. The Rural Water Supply Scheme of the Central Government will be extended to the mining areas to meet the drinking water requirement of small- and medium-sized mines;
- h. Infrastructure developed through existing power sector schemes/reform programs will be leveraged for the benefit of small-medium sized mines.

7.3 Social Responsibility

7.3.1 Skill development:

The strategy for human resource development aims to reflect the need to train and continuously upgrade skills and competence of the personnel involved in programmes.

The Department will organize National/International level training programmes through renowned institutions to improve skill and awareness levels of miners, workers, technocrats and managers. Also, workshops/seminars and group discussions will be organized for mining, mineral processing, value addition and technical skill up-gradation in consultation with national and international technocrats/institutes.

A three-year Diploma Course in mining will be started in Chittorgarh. In existing ITIs 6-month courses will be started for dumper operators, dozer operators and excavator operators. A short course structured by the Department will be promoted through ITIs and other training institutions to improve skills of existing persons working in mines.

The Department will insist for the development of a vocational training cum skill development centre in mining areas which will be operated by the voluntary organizations working in mining areas on no-profit-no-loss basis. It will not only help in development of skilled manpower in the mining but will also help in generation of employment.

7.3.2 Ensuring Health and Safety in Mining:

The Department, in collaboration with Mines Safety Department and IBM, will



conduct training programmes for miners, labourers, technicians working in mines on mine safety improvement and prevention of mineral wastage. Efforts will be made to strengthen and enforce health and safety regulations across the lifecycle of mine. The Government will work towards incorporating the provision of social infrastructure and hygiene enhancing facilities such as water supply and sewage systems in the community development plans of highly concentrated mining areas. The government will also engage in improving health and safety education and encouraging investment in healthcare facilities, e.g. dispensaries, clinics and laboratories in mining areas.

The Department will ensure health and safety inspection to be carried out at random intervals in mining areas. It will involve NGOs, miners' associations and local panchayat in enforcing health and safety standards.

7.3.3 Investment under Corporate Social Responsibility (CSR):

The Ministry of Corporate Affairs, Government of India, vide notification dated 27th February, 2014, framed "The Companies (CSR Policy) Rules, 2014". As per the provisions of these rules, it is essential for a company (covered under CSR) to spend 2% of its earning in CSR activities. The State Government will insist mining entrepreneurs to pool their CSR funds separately and utilize the amount in such a way so that it will raise the quality of life and social well-being of stake-holder communities around their location of operations. The State Government will encourage companies to invest in following CSR activities:

7.3.3.1 Education:

- a. Basic infrastructure facilities
- b. Set up adult education centers to improve literacy in rural women
- c. Aanganwadi centers for holistic development of children
- d. Mid-day meal programme at schools
- e. Computer education programme
- f. Merit-based scholarship for higher education



7.3.3.2 Health and Hygiene:

- a. Primary health center in remote areas
- b. Mobile Medical Camps
- c. Ambulance in remote villages
- d. Eye check-up camps
- e. Potable water supply around operational areas
- f. Toilets in rural areas

7.3.3.3 Agriculture and Animal Husbandry:

- a. Drip irrigation and sprinkler system of farming
- b. Organic farming
- c. Farmer training programmes on best agriculture practices
- d. Best quality agriculture seeds and latest equipment distribution
- e. Fodder cultivation and distribution programme

7.3.3.4 Infrastructure Development:

Infrastructure development such as road, electricity, telephone, mobile, internet facility, etc.

7.3.3.5 Environmental activities:

- a. Plantation of green belt in nearby barren land, using native species of trees, shrubs, bushes, grasses, etc., and preferably those suited to grow better in local conditions;
- b. Filling and utilizing old pits, adopting soil conservation measures through grasses, shrubs, bushes, etc.
- c. Reclaiming of dumps by plantation, they can become new forest ideally to be how cased.

7.3.4 Funding of Health Projects through GoR imposed cess:

The cess is collected from selected major minerals (like lead, zinc, copper, cement,



SMS grade Limestone, etc.). For utilization of this fund, the Government has constituted an administrative board called Rajasthan Environmental Health Administration Board (REHAB) so as to ensure eco-friendly mining and overseeing health aspects in mining areas. The Department will ensure appropriate uses of the cess.

7.3.5 District Mineral Foundation (DMF):

A District Mineral Foundation (DMF), a trust, will be established in every district considered affected by mining operations. The objective of the Foundation will be to work for the interest and benefit of the persons and areas affected by mining operations.

The holder of every mineral concession shall in addition to the royalty, pay to the DMF an amount as per the rate notified by Government from time to time. The composition and the functions of DMF shall be laid down in such a manner that the benefit of the same shall reach the affected.

7.4 Environment and Sustainability:

To ensure sustainability in mining, there is a need to integrate environmental concerns into mineral development programmes and balance the conservation of the flora and fauna and the natural environment with the need for social and economic development.

7.4.1 Environmental sustainability during functioning of mine:

The impact of mining activities is almost negligible in comparison to impact of endogenic and exogamic forces in form of natural weathering, geological and celestial activities respectively in terms of eco-geo-destruction on geological time frame. Mining plays little role in damaging the geo-surface permanently in comparison to other activities like road, buildings and other structures.

In Rajasthan, it has little role in production of noxious gases compared to other operating vehicles, chemical industries, coal based plants and power generation units. Almost no serious nuclear waste, chloro-flouro gases and bacterial effluents are generated by majority of mining operations in the State.

To ensure sustainability in mining, there is need to integrate environmental and social concerns in mineral development programmes, balancing the protection of



the flora and fauna including human being which is one of the most important constituent of environment and the natural environment with the need for social and economic development. There is a need to assess the impact of mining operation on environment with scientific data.

The Government will initiate actions to:

- a. reduce or eliminate the adverse environmental effect of mining;b. establish water, air and noise testing laboratories in PPP mode in concentrated mining areas;
- c. improve health and safety conditions in mining areas; and
- d. address social issues affecting women, children and the local community.

The Government will undertake annual plantation programmes in the mining areas earmarked by District Collector to restore green belt.

The State Government will ensure expeditious processing of cases involving forest land and Environment Clearance (EC). A senior officer of the Department will look after to expedite the process of getting EC.

The State Government will ensure adequate coordination between the State Directorate and the State Pollution Control Board for the conduct of the Environmental Impact Assessment in a quick, transparent and professional manner and ensure facilitation of preparation, approval and monitoring of the Environmental Management Plan.

7.4.2 Reclamation and Restoration post mine closure:

The State will ensure that the mines owner in their Mining Closure Plans make adequate provision for reclamation and/or restoration of the land to the best possible potential use in collaboration with local communities. After mine closure, land may be handed over to the local Panchayat for management preferably as a Common Property Resource, particularly for the benefit of the rural poor.

Reclamation/restoration efforts will specifically address issues of

- a. bringing land into productive use;
- b. reducing soil erosion through vegetative means;
- c. dealing with chemical pollutants of soil and water;



- d. improving the water regime and recharge potential; and
- e. mitigating the adverse visual impact.

Mine closure will be closely monitored and it will be ensured that stakeholders are taken into confidence at all stages through a transparent process facilitated by the Department.

7.5 Others

7.5.1 Prevention and control of illegal mining:

The term illegal mining will be redefined in Rajasthan Minor Mineral Concession Rules, 1986, so that the breach of any lease condition/violation of any rules within the boundary of valid mineral concession or any other permission granted under these rules is not interpreted as illegal mining.

In order to act as a strong deterrent to such illegal mining, the government will increase the provision of imprisonment from existing 2 years to 5 years and a maximum fine of existing ₹25,000 to ₹5 lakh. The minimum compounding fee will also be increased from existing ₹5,000 to ₹25,000 and cost of mineral will be increased from 10 to 15 times of the royalty.

Issue of e-transit pass similar to e-rawanna will be introduced. Putting in place "in-motion weigh-bridges" and modernization of check gates for transportation of minerals in vehicle and to cross verification of e-rawanna and e-transit pass at anytime and at any spot, mobile application will be developed. This will reduce chances of illegal transportations/dispatch.

Steps will be taken to improve the regulatory supervision of areas of potential mineralisation and the department will involve the local population in the process. The Government will also facilitate set up of special check posts and deployment of Border Home Guards in the illegal mining prone areas. The department will also encourage usage of high resolution satellite data for detecting encroachments and illegal mining.

Steps will be taken to streamline procedures to minimize delays in grant of leases. The Central Government (MoEF) will be requested for speedy disposal of cases of environmental clearances/diversion of forest land to reduce delay in disposal of mining lease applications that will help curbing illegal mining.



Coordinated efforts will be made by Mines, Forest, Revenue, Police and local authorities for prevention of illegal mining.

7.5.2 Institutionalizing Small-scale Mining:

Small and isolated deposits of minerals are scattered all over the State. These often lend themselves to economic exploitation through small-scale mining. With modest demand of capital expenditure and short lead-time, they provide employment opportunities for the local population. However, due to diseconomies of scale they can also lead to sub-optimal mining and ecological disturbance. Efforts will be made to promote small scale mining of small deposits while safeguarding vital environmental and ecological imperatives.

In view of this, the Government is committed to support small scale mining sub-sector by facilitating the transformation of the present mining activities into more organized and modernized small-scale mining units. Encouraging/motivating to:

- a. transform and upgrade small mining into organized and modernized mining;
- b. promote amalgamation of adjoining small leases/licences, the period of which shall be co-terminus with the lease/licence whose period expires last;
- c. amalgamate their quarry licences with adjoining quarry licence to increase the size for safe and scientific mining. The title of such amalgamated licences may be permitted in favour of Association of Persons (AoP).

7.5.3 Relaxation of Rules:

Special provision will be made in rules by which Government may relax any provision of Rajasthan Minor Mineral Concession Rules in the interest of the State, mineral conservation and development except awarding any mineral concession.

7.5.4 Availability of area for re-grant:

In respect of minor mineral, the area which was previously held under prospecting licence/mining lease or in respect of which the order granting a licence/lease has been revoked shall deemed to have been available for re-grant.

7.5.5 Incentives:

- a. To promote safe and scientific mining, small areas of quarry licence which amalgamate their licences to make an area min 1.00 ha., period of such



- amalgamated licence shall be increased to 50 years.
- b. In allotment through delineation, priority will be given, to those setting up mineral based industry in the State.
- c. To promote zero waste mining, special fee of ₹10 on despatch of over burden will be removed.
- d. To promote value addition, mineral based industries would be eligible for incentives under Rajasthan Investment Promotion Scheme 2014.

8. Implementation

The Government is committed to successful and time-bound implementation of this Policy. In order to ensure that all key aspects are successfully implemented, the Department will identify key initiatives linked with major policy items (e.g. for creating a State-wide mineral map, for increasing business friendliness, etc.). Each initiative will be led by a senior Departmental official.

The Department will constitute an Implementation Team that will periodically review the implementation of the Mineral Policy especially for policy aspects requiring significant inter-departmental coordination (e.g. mineral exploration, mineral-based industries, etc).



9. Tracking

9.1 Defining Success and Key Performance Indicators (KPI)

In order to assess the impact of this policy on the mineral sector and to determine future strategies, it is critical to monitor and evaluate the effectiveness of the Minerals Policy 2015. The Policy will be considered successful if it serves its purpose, as described in Section 4. Key outcome metrics will be tracked by the Department, including:

- a. Number of investors converted by the investor outreach team — to track increase in investments in the State.
- b. Percentage of mining licence applications that are digitized and average total turnaround time for all mining licences — to help track ease-of-doing-business.
- c. Percentage of total land covered by the mineral map — to help track the creation of mineral presence data, to catalyze mining activity.
- d. Number of new jobs created by the mining sector — to track employment goals.
- e. Number of PPP infrastructure projects initiated — to track the development of infrastructure.

For each of these metrics, the Mineral Advisory Committee will drive baseline assessments and set annual targets. In the event that these are not met, a root-cause analysis will be carried out and appropriate course correction will be initiated.

In addition to outcome metrics, the Department will also track a set of "leading indicators", that provide an early sense of the effectiveness of the policy and where gaps might lie.

These indicators will include:

- i. Number of amendments to the Policy: to ensure that a consistent and concrete strategic direction is set for the sector and its key stakeholders, with minimum changes;
- ii. Overall feedback from key stakeholders (e.g. community, mining companies and associations): to ensure that there is alignment on the path forward that is laid down by the Policy;



- iii. Progress tracking (time and budget) of the major initiatives, linked to policy goals, e.g. initiatives to form the "State Mineral Exploration Trust" and to conduct process re-engineering for ease-of-doing-business.

9.2 Reviewing the Policy

The Department is keen to continuously assess the effectiveness of the Policy.

In order to achieve this objective, the DMG will publish a "Status of the Mining Sector Report" every year. This report will provide comprehensive information on all schemes and programmes, as implemented by the Department. The report will identify progress against targets on the outcome metrics and lagging indicators of success of the Mineral Policy 2015.

This report will also synthesize the views and priorities identified through bottom-up engagement with the community and potential investors. Finally, the report will document any previously unidentified challenges facing the sector and recommend the way forward in these areas.



Annexure I

Proposed new mineral based industries in Rajasthan

S. No.	Industries
1.	Lead and Zinc smelters
2.	Major cement plants
3.	Fertilizer plants
4.	Glass industries
5.	Ceramic industries
6.	Chemical industries
7.	Insecticides, Pesticides, Cosmetics, Micronising units
8.	Lignite based power plants
9.	Gas based power plants
10.	Petroleum refinery
11.	Industries based on Petroleum products
12.	Granite polishing units
13.	Marble polishing units
14.	Sandstone polishing units

...and many more industries that come up as an outcome of this Policy, 2015.

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Government of Rajasthan
Mines (Gr.-II) Department

No. : F.14(9)Mines/Gr.II/2015-Pt.-II

Jaipur, dated : 28 FEB 2017.

ORDER

The State Government hereby makes the following amendments in the Rajasthan Mineral Policy, 2015, hereinafter referred to as the said policy:-

1. Deletion of clause 6.1.5 - The existing clause 6.1.5 of the said policy shall be deleted.

2. Deletion of clause 6.2(d) - The existing clause 6.2(d) of the said policy shall be deleted.

3. Amendment in clause 6.3.1(i) - For the existing expression "and reduce the limit of 500 meter to 250 meter distance for deemed land status report of forest" of clause 6.3.1(i) of the said policy, the expression "so that land status report from forest department will not be necessary where area to be granted is beyond 500 meter from forest boundary" shall be substituted.

4. Deletion of clause 6.3.1(o) - The existing clause 6.3.1(o) of the said policy shall be deleted.

5. Amendment in clause 7.1.1 - For the existing expression "Mining leases in Government land where departmental prospecting has been done after reserving the area, delineation will be done. Such delineated area/plots shall be granted by way of tender or auction/lottery and otherwise by application. The Government will also explore the possibility of adopting Swiss Challenge Model in allotment of mineral concession", of clause 7.1.1 of the said policy, the expression "Mineral Concessions will be granted through e-auction except:

14006 (a) in notified scheduled areas (i) for mineral masonry stone, one third of plots shall be kept reserved for the persons belonging to domicile schedule tribe category and remaining two third plots shall be granted by way of e-auction; and (ii) for mineral bajri (river sand), priority shall be given to the registered society of domicile schedule tribe.

17.3.17

(b) In khatedari land, where depth of deposition of mineral gypsum is limited upto 2 meter, permits will be granted to khatedar for their land improvement." shall be substituted.

20.3.17

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6. Amendment in clause 7.1.2 - For the existing expression "Where occurrences of the mineral have not been proved otherwise, prospecting licence shall be granted. Minerals like Quartz, Feldspar, China Clay, Ochre, Silica Sand, various clays, Dolomite, Gypsum, Kaolin, etc., occur at surface. To restrict the tendency to hold a large area under prospecting licence for a long time and unauthorized excavation of minerals, direct mining leases of these minerals shall be granted. The minimum size for mining lease of these minerals shall be 4.00 hectare. Similarly, minimum size for prospecting licence of these minerals shall be 20.00 hectare." of clause 7.1.2 of the said policy, the expression "Where occurrences of the mineral have not been proved otherwise, prospecting will be done by the department and mining leases shall be granted through e-auction. The minimum size for mining lease of these minerals shall be 4.00 hectare." shall be substituted.

7. Insertion of new clause 7.1.2a - After clause 7.1.2 and before clause 7.1.3, following new clause shall be inserted, namely:-

"7.1.2a Rights of holder of prospecting licence and applicants:

Rights of holder of prospecting licence, letter of intent and sanction of 31 major minerals, declared as minor minerals by the Government of India, to obtain a mining lease shall be protected. Similarly, rights of holder of letter of intent issued through tender and all sanctions, issued under Rajasthan Minor Mineral Concession Rules, 1986, to obtain a mining lease shall also be protected."

8. Amendment in clause 7.1.4 - For the existing expression "the period of existing leases shall be deemed to have been extended up to 50 years from the date of initial grant and the subsequent extension shall be granted for 20 years each subject to condition that total lease period shall not exceed 90 years since initial grant." of clause 7.1.4 of the said policy, the expression "the period of existing leases except bajri (river sand) shall be deemed to have been extended up to a period ending on the 31st March, 2025 with effect from the date of expiry of the period of renewal/extension last made or till the completion of renewal/extension period, if any, or a period of 50 years from the date of first grant of such lease, whichever is later. The period of mining leases for mineral bajri (river sand) shall be 5 years. After expiry of the lease period, new Mining leases shall be granted through e-auction with right of first refusal to the existing lessee." shall be substituted.

9. Deletion of clause 7.1.7 - The existing clause 7.1.7 of the said policy shall be deleted.

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10. Amendment in clause 7.1.10 - For the existing expression "Currently, there is a 2 years lock-in period for transfer of a mining lease and 1 year lock-in period for transfer of a quarry licence. Such restriction will be removed except for mining leases allotted by way of lottery." of the clause 7.1.10 of the said policy, the expression, "Lock-in period for transfer of mineral concession granted other than through auction shall be one year and subsequent transfer shall be allowed subject to condition that at least one year has elapsed since last transfer. Transfer of mineral concession shall be allowed on payment of one time premium which shall vary from two times of dead rent/licence fee to ten times of dead rent/licence fee depending on residual period of mineral concession." shall be substituted.

11. Insertion of new clause 7.1.12a - After clause 7.1.12 and before clause 7.1.13, following new clause shall be inserted, namely:-

"7.1.12a Provisions regarding grant of Mineral Concessions in Khatedari land:

Mineral Concessions in Khatedari land shall be granted through auction with right of first refusal to the concerned Khatedar."

12. Amendment in clause 7.1.13 - The existing expression "adjoining Government/Khatedari land and" of clause 7.1.13 of the said policy shall be deleted.

13. Deletion of clause 7.1.14 - The existing clause 7.1.14 of the said policy shall be deleted.

14. Amendment in clause 7.1.15 - For the existing expression, "the period of a new quarry licence in existing boundaries and the renewal period will be increased to 30 years." of 7.1.15 of the said policy, the expression, "new quarry licence shall be granted for a period of 30 years and the period of existing quarry licences shall be deemed to have been extended up to a period ending on the 31st March, 2025 with effect from the date of expiry of the period of renewal/extension last made or till the completion of renewal/extension period, if any, or a period of 30 years from the date of first grant of such licence, whichever is later. After expiry of the licence period, new Quarry Licence shall be granted through e-auction with right of first refusal to the existing licensee." shall be substituted.

15. Deletion of clause 7.1.16 - The existing clause 7.1.16 of the said policy shall be deleted.

16. Amendment in clause 7.1.18 - For the existing expression "to an applicant who obtains NOC from the Devasthan Department." of clause 7.1.18,

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the expression, "through auction with the consent of Devasthan Department." shall be substituted.

17. Amendment in clause 7.1.19 - For the existing expression "to the applicant who obtains diversion of forest land from MoEF." of clause 7.1.19 of the said policy, the expression, "through auction and the letter of intent (LoI) will be issued subject to condition that the successful bidder shall submit forest diversion from MoEF&CC." shall be substituted.

18. Deletion of clause 7.1.20 - The existing clause 7.1.20 of the said policy shall be deleted.

19. Deletion of clause 7.1.26 - The existing clause 7.1.26 of the said policy shall be deleted.

20. Deletion of clause 7.1.28 - The existing clause 7.1.28 of the said policy shall be deleted.

21. Amendment in clause 7.5.1 - The existing expression "and cost of mineral will be increased from 10 to 15 times of the royalty" of clause 7.5.1 of the said policy shall be deleted.

22. Amendment in clause 7.5.3 - For the existing expression "in the interest of the State, mineral conservation and development except awarding any mineral concession." of clause 7.5.3 of the said policy, the expression "for bringing an appropriate scheme for waiving off any dues or any other amount in larger public interest." shall be substituted.

23. Amendment in clause 7.5.5 - The existing clause 7.5.5(a), (b) and (c) of the said policy shall be deleted.

The amendments in policy shall be effective from the date of issuance of the order.


(Iqbal)

Jt. Secretary to the Govt.

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Copy forwarded to the following for information and necessary action :

1. Pr. Secretary, HE Governor of Rajasthan, Jaipur
2. Pr. Secretary, Hon'ble Chief Minister, Rajasthan, Jaipur
3. Secretary, Rajasthan Legislative Assembly, Jaipur
4. SA to State Minister, Mines Department, Rajasthan, Jaipur
5. JS to Chief Secretary, Rajasthan, Jaipur
6. PS to Pr. Secretary, Finance Department, Rajasthan, Jaipur
7. PS to Pr. Secretary, Mines & Petroleum Department, Rajasthan, Jaipur
8. Accountant General, Rajasthan, Jaipur
9. Director, State Department of Revenue Intelligence (SDRI), Vitt Bhawan, Jaipur
10. Director, Mines & Geology Department, Rajasthan, Udaipur
11. Guard file.

Jt. Secretary to the Government

संयुक्त शासन सचिव
खान विभाग
शासन सचिवालय, जयपुर

SMB →
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15/7/17

Government of Rajasthan
Mines (Gr.-II) Department

No. : F.14(9)Mines/Gr.II/2015-Pt.-II

Jaipur, dated : 20 JUN 2017

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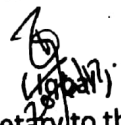
The State Government hereby makes the following amendments in the Rajasthan Mineral Policy, 2015:-

1. **Amendment of clause 7.1.2a-**For the existing expression "protected. Similarly, rights of holder of letter of Intent issued through tender and all sanctions, issued under Rajasthan Minor Mineral Concession Rules, 1986, to obtain mining lease shall also be protected", the expression "protected subject to payment of one time premium equal to two and half times of annual dead rent which shall not be adjusted against dead rent or royalty. Similarly, rights of holder of letter of intent and sanctions issued through tender or lottery or in khatedari land under the Rajasthan Minor Mineral Concession Rules, 1986 to obtain mining lease or quarry licence shall also be protected but, in case of letter of intent and sanctions issued through lottery or in khatedari land, such protection shall be subject to payment of one time premium equal to two and half times of annual dead rent or annual licence fee which shall not be adjusted against dead rent or royalty or licence fee, as the case may be" shall be substituted.

2. **Amendment of clause 7.1.10-** After the existing clause 7.1.10, the following expression shall be added, namely:-

Provided in case where transferee is wife/husband or son/daughter of transferor, the premium amount shall be rupees fifty thousand."

The amendments in policy shall be effective from the date of issuance of the order.


Jt. Secretary to the Govt.

Copy forwarded to the following for information and necessary action :

1. Pr. Secretary, HE Governor of Rajasthan, Jaipur
2. Pr. Secretary, Hon'ble Chief Minister, Rajasthan, Jaipur
3. Secretary, Rajasthan Legislative Assembly, Jaipur
4. SA to State Minister, Mines Department, Rajasthan, Jaipur
5. JS to Chief Secretary, Rajasthan, Jaipur



Department of Mines & Geology

Government of Rajasthan

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