

Mines and Minerals Development and Regulation Amendment Bill, 2015

The Mines and Minerals (Development and Regulation) Amendment Bill, 2015 was introduced in Lok Sabha on February 24, 2015 to amend the Mines and Minerals (Development and Regulation) Act, 1957. This Act regulates the mining sector in India and notifies the essential prerequisites for acquiring and giving license to commence Mining operations.

1. The Bill was introduced in Lok Sabha on February 24, 2015.
2. It was passed in Lok Sabha on March 03, 2015.
3. It was referred to the Standing Committee on March 11, 2015.
4. The Report was submitted on March 18, 2015.
5. The Amendment Bill was passed in Rajya Sabha on March 20, 2015.

Amendments Made in the Mines and Minerals (Development and Regulation) Act, 1957.

1. The Bill adds a new Fourth Schedule to the Act. It includes bauxite, iron ore, limestone and manganese ore and is defined as notified minerals.

Mining License - Creation of New Category

1. As per the Amendment in the 2015 Bill, it provides provision for creating a completely new category of mining license.
2. It will be called as Prospecting License-cum-Mining License.
3. This new category will take care of the prospecting operations - i.e. initial exploration stage which proves whether there are sufficient deposits of mineral for carrying out mining and then the succeeding stage i.e. mining operations, which commences once the prospecting operations give the confirmation of sufficient mineral deposits.

Maximum Area - Amended

1. Earlier, while granting a license for mining, the maximum area that could be given was 10 square kilometers.
2. If a person needs additional area then they could do so by acquiring more licenses or leases.
3. As per the amendment in the Bill in 2015, the Central Government can increase the area limits for mining which was earlier capped at 10 square kilometer.
4. Hence the need for additional licenses for an area more than 10 square kilometers will not arise.

Creation of New Institutions

The Amendment Bill provides provisions for creation of new institutions which are given below

1. **National Mineral Exploration Trust (NMET)** - Licensees will have to pay 2% of royalty to NMET. The Central Government will establish NMET with the objective of carrying out detailed mineral exploration.
2. **District Mineral Foundation (DMF)** - Licensees will have to pay DMF, not more than one-third of the royalty prescribed by the Central Government. This institute will help people affected by mining operations in a particular district. It will be established by the State Governments.

Transfer of Mineral Concessions

1. Only mineral concessions granted through auction will be allowed for transfer.
2. With the approval of State Government, holder of prospecting-cum-mining lease or holder of mining lease can transfer it to any other eligible person.
3. If the State Government does not communicate its approval in 90 days, then it can be considered as a nod to the transfer of license.
4. If the State Government communicates its opposition to the transfer then no transfer of license can take place.

Notified Minerals and Other Minerals - Auctions

1. All leases shall be granted through auction by competitive bidding, including e-auction.
2. Prospecting license-cum-mining leases, can be obtained from the State Governments.
3. In the case of notified minerals, assent of the Central Government will be required for giving Prospecting license-cum-mining leases.

Lease Period - 50 Years

1. As per the provisions given earlier in the Mines and Minerals Development and Regulation Act 1957, the lease period for mining was minimum of 20 years and maximum of 30 years. Once the lease period of 30 years expires, the lease could be renewed for another 20 years.
2. With this amendment the lease period will be for 50 years and once the lease expires instead of renewing it, it will be put up for Auction.
3. The above amended rules are applicable for all minerals except atomic minerals, lignite and coal.