

Bill No. 101-F of 2023

**THE MINES AND MINERALS (DEVELOPMENT
AND REGULATION) AMENDMENT BILL, 2023**

(AS PASSED BY THE HOUSES OF PARLIAMENT—

LOK SABHA ON 28TH JULY, 2023

RAJYA SABHA ON 2ND AUGUST, 2023,

ASSENTED TO ON 9TH AUGUST, 2023
ACT No. 16 OF 2023

Bill No. 101-F of 2023

THE MINES AND MINERALS (DEVELOPMENT AND REGULATION)
AMENDMENT BILL, 2023

(AS PASSED BY THE HOUSES OF PARLIAMENT)

A

BILL

further to amend the Mines and Minerals (Development and Regulation) Act, 1957.

BE it enacted by Parliament in the Seventy-fourth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Mines and Minerals (Development and Regulation) Amendment Act, 2023.

Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

- Amendment of section 3. **2.** In section 3 of the Mines and Minerals (Development and Regulation) Act, 1957 (hereinafter referred to as the principal Act), in section 3,—
- 67 of 1957.
- (i) after clause (aa), the following clause shall be inserted, namely:—
- '(aaa) "exploration licence" means a licence granted for undertaking reconnaissance operations or prospecting operations or both in respect of minerals specified in the Seventh Schedule;'
- (ii) in clause (ae), after the words "composite licence", the words ", exploration licence" shall be inserted;
- (iii) for clause (ha), the following clause shall be substituted, namely:—
- '(ha) "reconnaissance operations" means any operations undertaken for preliminary prospecting of a mineral through regional, aerial, geophysical or geochemical surveys and geological mapping, and include pitting, trenching, drilling and sub-surface excavation;'
- Amendment of section 4. **3.** In section 4 of the principal Act, in sub-section (I), after the words "prospecting licence", the words "or of a exploration licence" shall be inserted.
- Amendment of section 4A. **4.** In section 4A of the principal Act,—
- (i) for the marginal heading, the following marginal heading shall be substituted, namely:—
- "Termination of prospecting licences, exploration licences or mining leases.";
- (ii) in sub-section (I), for the words "prospecting licence", at both the places where they occur, the words "prospecting licence or exploration licence" shall be substituted;
- (iii) in sub-section (3), after the words "prospecting licence", the words "or exploration licence" shall be inserted.
- Amendment of section 5. **5.** In section 5 of the principal Act, for the marginal heading, the following marginal heading shall be substituted, namely:—
- "Restrictions on the grant of mineral concession."
- Amendment of section 6. **6.** In section 6 of the principal Act,—
- (a) for the marginal heading, the following marginal heading shall be substituted, namely:—
- "Maximum area for which mineral concession may be granted.";
- (b) in sub-section (I),—
- (i) after clause (aa), the following clause shall be inserted, namely:—
- "(ab) one or more exploration licences covering a total area of more than five thousand square kilometres:
- Provided that the area granted under a single exploration licence shall not exceed one thousand square kilometres;"
- (ii) in clause (c), for the words "reconnaissance permit, mining lease or prospecting licence", the words "mineral concession" shall be substituted.
- Substitution of Chapter heading of Chapter III. **7.** In Chapter III of the principal Act, for Chapter heading, the following Chapter heading shall be substituted, namely:—
- "PROCEDURE FOR OBTAINING MINERAL CONCESSION IN RESPECT OF LAND IN WHICH THE MINERALS VEST IN THE GOVERNMENT".

8. In section 10 of the principal Act,—

Amendment
of section 10.

(i) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Application for mineral concession.";

(ii) in sub-section (4), in clause (a), for the words, figures and letters "sections 10B, 11, 11A or the rules made under section 11B", the words, figures and letters "sections 10B, 10BA, 11, 11A, 11B or 11D" shall be substituted.

9. After section 10B of the principal Act, the following section shall be inserted, namely:—

Insertion of
new section
10BA.

"10BA. (1) The provisions of this section shall not apply to—

(a) the areas covered under section 17A;

(b) the minerals specified in Part A of the First Schedule;

(c) the minerals specified in Part B of the First Schedule where the grade of atomic mineral is equal to or greater than such threshold value as may be notified by the Central Government from time to time;

(d) any land in respect of which the minerals do not vest in the Government.

Grant of
exploration
licence for
minerals
specified in
Seventh
Schedule
through
auction.

(2) Notwithstanding anything contained in sections 10B and 11, an exploration licence may be granted in any area by the State Government for the purpose of undertaking reconnaissance or prospecting operations or both in respect of any mineral specified in the Seventh Schedule.

(3) The Central Government may, by notification in the Official Gazette, and for reasons to be recorded in writing, amend the Seventh Schedule so as to modify the entries therein with effect from such date as may be specified in the said notification.

(4) The State Government shall, after obtaining the previous approval of the Central Government, and in such manner as may be prescribed by the Central Government, notify the areas in which exploration licence shall be granted, subject to such terms and conditions as may be specified in the notification.

(5) The Central Government may require the State Government to notify the area for grant of exploration licence within such period as may be fixed in consultation with the State Government, and in case the State Government does not notify the area within such period, the Central Government may, after the expiry of the period so fixed, notify the area for grant of exploration licence.

(6) The State Government shall, for the purpose of granting exploration licence through auction by method of competitive bidding, including e-auction, select an applicant who fulfils the eligibility conditions as specified in this Act and grant exploration licence to such applicant.

(7) Where—

(a) the State Government has not successfully completed auction for the grant of exploration licence; or

(b) after completion of auction, the exploration licence or letter of intent for grant of exploration licence has been terminated or lapsed for any reason whatsoever,

the Central Government may require the State Government to conduct and complete the auction or re-auction process, as the case may be, within such period as may be fixed in consultation with the State Government, and in cases where such auction or re-auction process is not completed within such period, the Central Government may, after the expiry of the period so fixed, conduct auction for the grant of exploration licence for such area:

Provided that upon successful completion of the auction, the Central Government shall intimate the details of the preferred bidder in the auction to the State Government and the State Government shall grant exploration licence for such area to such preferred bidder in such manner as may be prescribed by the Central Government.

(8) The holder of exploration licence shall be entitled to a share of applicable amount quoted in the auction of mining leases payable by the lessee to the State Government in respect of the area granted in mining lease pursuant to the prospecting operations undertaken by the holder of such exploration licence:

Provided that the share in applicable amount payable to the holder of exploration licence by the lessee of such area shall be allowed only in respect of the minerals specified in the Seventh Schedule.

(9) The Central Government shall by rules provide for the manner of conducting auction for grant of exploration licence, including its terms and conditions, the bidding parameters for selection, share payable to the holder of exploration licence from out of the applicable amount quoted in auction of mining leases payable by the lessee of such area, the period for such payment and such other conditions as may be necessary.

(10) Notwithstanding anything contained in section 7,—

(a) the exploration licence shall be granted for a period of five years from the date of execution of the exploration licence;

(b) if, after three years from the date of execution of exploration licence, but before the date of its expiry, the holder of the exploration licence makes an application for the extension of the period of that licence, the State Government may, on being satisfied that within the period of five years, it shall not be possible for the holder of such licence to complete the reconnaissance or prospecting operations for reasons beyond his control, extend the said period to a further period not exceeding two years.

(11) After three years from the date of execution of the exploration licence, the holder of such licence may retain an area not exceeding twenty-five per cent. of the total area covered under that licence for the purpose of continuing reconnaissance or prospecting operations and shall surrender the remaining area after submitting a report to the State Government stating the reasons for retention of the area proposed to be retained by him and the boundaries of that area.

(12) The holder of the exploration licence shall, within three months of the completion of the operations for which licence has been granted, or of the date of expiry of the exploration licence, whichever is earlier, submit a geological report to the State Government explaining the result of the reconnaissance and prospecting operations, in such manner as may be prescribed.

(13) If the holder of the exploration licence fails to complete the reconnaissance and prospecting operations before expiry of the exploration licence, or fails to submit the geological report within the period specified in sub-section (12), the State Government may take such action as it deems fit, including imposition of penalty.

(14) Within six months from the date of receipt of the geological report from the holder of the exploration licence, the Central Government or the State Government shall initiate the auction process for grant of one or more separate mining leases under section 10B or section 11 or section 11D, as the case may be, in respect of the area where existence of mineral content is established and shall select the preferred bidder for grant of such mining leases within one year from the date of receipt of the geological report:

Provided that in case the preferred bidder is not selected within the period so specified, the State Government shall pay to the person who was the holder of exploration licence such amount, and in such manner, as may be prescribed."

10. After section 11C, the following section shall be inserted, namely:—

Insertion of new section 11D.

"11D. (1) Notwithstanding anything contained in this Act, the Central Government shall, for the purpose of granting mining lease or composite licence in any area in respect of any mineral specified in the Part D of the First Schedule, select, through auction by method of competitive bidding, including e-auction, a preferred bidder who fulfils the eligibility conditions as specified in section 5, on such terms and conditions, and in such manner, as may be prescribed.

Central Government to conduct auction for grant of mining lease or composite licence in respect of minerals specified in Part D of First Schedule.

(2) Upon successful completion of the auction, the Central Government shall intimate the details of the preferred bidder in the auction to the State Government and the State Government shall grant mining lease or composite licence for such area, to such preferred bidder, in such manner, as may be prescribed by the Central Government.

(3) The royalty, dead rent, applicable amount quoted in the auction and any other statutory payment in relation to the mining lease or composite licence auctioned by the Central Government shall accrue to the State Government or concerned authorities, as the case may be, as if the auction has been conducted by the State Government."

11. In section 12 of the principal Act,—

Amendment of section 12.

(a) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Registers of mineral concession.";

(b) in sub-section (1),—

(i) in clause (e), the word "and" shall be omitted;

(ii) after clause (f), the following clauses shall be inserted, namely:—

"(g) a register of applications for exploration licences; and

(h) a register of exploration licences,".

12. In section 12A of the principal Act,—

Amendment of section 12A.

(i) after the words "composite licence", wherever they occur, the words "or exploration licence" shall be inserted;

(ii) in sub-section (4), in the proviso, for the words "or of a composite licence", the words "or composite licence" shall be substituted.

13. In Chapter IV of the principal Act, for Chapter heading, the following Chapter heading shall be substituted, namely:—

Substitution of Chapter heading of Chapter IV.

"RULES FOR REGULATING THE GRANT OF MINERAL CONCESSIONS".

14. In section 13 of the principal Act, in sub-section (2),—

Amendment of section 13.

(i) clause (ac) shall be omitted;

(ii) in clause (qgg), for the words, figures and letters "mining lease or composite licence under section 10B, 11, 11A, 11B", the words, figures and letters "mineral concession under section 10B, 10BA, 11, 11A, 11B, 11D" shall be substituted;

(iii) after clause (v), the following clauses shall be inserted, namely:—

"(va) the manner of notifying the areas for grant of exploration licence under sub-section (4) of section 10BA;

(vb) the manner of granting exploration licence to the preferred bidder under the proviso to sub-section (7) of section 10BA;

(vc) the manner of conducting auction for grant of exploration licence, the terms and conditions thereof, the bidding parameters for selection, the share payable to the holder, the period for payment and other conditions under sub-section (9) of section 10BA;

(vd) the manner of submitting geological report under sub-section (12) of section 10BA;

(ve) the amount to be paid and the manner of payment under the proviso to sub-section (14) of section 10BA;";

(iv) after clause (x), the following clauses shall be inserted, namely:—

"(xa) the terms and conditions and the manner of selecting a preferred bidder under sub-section (1) of section 11D;

(xb) the manner of granting a mining lease or composite licence to a preferred bidder under sub-section (2) of section 11D;".

Amendment of section 17A. **15.** In section 17A of the principal Act, in sub-sections (1), (1A) and (2), after the words "prospecting licence", the words "or exploration licence" shall be inserted.

Amendment of section 18A. **16.** In section 18A of the principal Act, in sub-section (1), after the words "prospecting licence", at both the places where they occur, the words "or exploration licence" shall be inserted.

Amendment of section 19. **17.** In section 19 of the principal Act, for the marginal heading, the following marginal heading shall be substituted, namely:—

"Mineral concession to be void if in contravention of Act."

Amendment of section 21. **18.** In section 21 of the principal Act, in the *Explanation*, after the words "composite licence", the words ", exploration licence" shall be inserted.

Amendment of section 24A. **19.** In section 24A of the principal Act, for the marginal heading, the following marginal heading shall be substituted, namely:—

"Rights and liabilities of a holder of mineral concession."

Amendment of First Schedule. **20.** In the principal Act, in the First Schedule,—
(i) after the figures and letter "11C", the figures and letter "11D" shall be inserted;
(ii) for Part B, the following Part shall be substituted, namely:—

"PART B

Atomic minerals

1. Minerals of the "rare earths" group containing Uranium and Thorium.
2. Phosphorites and other phosphatic ores containing Uranium.
3. Pitchblende and other Uranium ores.
4. Uraniferous allanite, monazite and other thorium minerals.
5. Uranium bearing tailings left over from ores after extraction of copper and gold, ilmenite and other titanium ores.
6. Beach sand minerals, that is, economic heavy minerals found in the teri or beach sands, which include ilmenite, rutile, leucosene, garnet, monazite, zircon and sillimanite.";

(iii) after Part C, the following Part shall be inserted, namely:—

"PART D

Critical and Strategic Minerals

1. Beryl and other beryllium bearing minerals.
2. Cadmium bearing minerals.
3. Cobalt bearing minerals.
4. Gallium bearing minerals.
5. Glauconite.
6. Graphite.
7. Indium bearing minerals.
8. Lithium bearing minerals.
9. Molybdenum bearing minerals.
10. Nickel bearing minerals.
11. Niobium bearing minerals.
12. Phosphate (without uranium).
13. Platinum group of elements bearing minerals.
14. Potash.
15. Minerals of the "rare earths" group not containing Uranium and Thorium.
16. Rhenium bearing minerals.
17. Selenium bearing minerals.
18. Tantalum bearing minerals.
19. Tellurium bearing minerals.
20. Tin bearing minerals.
21. Titanium bearing minerals and ores (ilmenite, rutile and leucoxene).
22. Tungsten bearing minerals.
23. Vanadium bearing minerals.
24. Zirconium bearing minerals and ores including zircon."

21. In the principal Act, after Sixth Schedule, the following shall be inserted, namely:—

Insertion of
new Seventh
Schedule.

"THE SEVENTH SCHEDULE

[See sections 3 (aaa), 10BA(2) and 10BA(3)]

Minerals

1. Apatite.
2. Beryl and other beryllium bearing minerals.
3. Cadmium bearing minerals.
4. Cobalt bearing minerals.
5. Copper bearing minerals.

6. Diamond.
 7. Gold.
 8. Graphite.
 9. Indium bearing minerals.
 10. Lead bearing minerals.
 11. Lithium bearing minerals.
 12. Molybdenum bearing minerals.
 13. Niobium bearing minerals.
 14. Nickel bearing minerals.
 15. Potash.
 16. Platinum group of elements bearing minerals.
 17. Minerals of 'rare earths' group.
 18. Rhenium bearing minerals.
 19. Rock Phosphate.
 20. Selenium.
 21. Silver.
 22. Tantalum bearing minerals.
 23. Tellurium bearing minerals.
 24. Tin bearing minerals.
 25. Titanium bearing minerals and ores (ilmenite, rutile and leucoxene).
 26. Tungsten bearing minerals.
 27. Vanadium bearing minerals.
 28. Zinc bearing minerals.
 29. Zirconium bearing minerals and ores including zircon." .
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(As passed by the Houses of Parliament)