

THE MINES AND MINERALS (DEVELOPMENT AND REGULATION) AMENDMENT ACT, 2025 (No. 28 of 2025, dt. 21-8-2025)

An Act further to amend the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957).

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

1. Short title and commencement

(1) This Act may be called the Mines and Minerals (Development and Regulation) Amendment Act, 2025.

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

2. Amendment of section 3

In the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957) (hereinafter referred to as the principal Act), in section 3, after clause (ae), the following clause shall be inserted, namely:—

‘(af) “mineral exchange” means an electronic trading platform or marketplace registered in accordance with the provisions of this Act, where buyers and sellers of minerals, its concentrate or its processed forms (including metals), transact, trade and enter into contract, including in derivatives;’.

3. Insertion of new section 6A

In the principal Act, after section 6, the following section shall be inserted, namely:—

‘6A. Inclusion of contiguous area in the leased area or area under composite licence in case of deep-seated minerals

(1) Notwithstanding anything contained in section 10,—

- (a) a holder of a mining lease of deep-seated mineral, may apply for a one-time extension of the existing leased area to include therein a contiguous area not exceeding ten per cent. of the existing leased area;
- (b) a holder of a composite licence in respect of deep-seated mineral, may apply for a one-time extension of the area under the composite licence, to include therein a contiguous area not exceeding thirty per cent. of the existing area under the licence.

(2) Upon receipt of such application, the State Government may extend the existing leased area or the area under composite licence, as the case may be, to include therein the contiguous area subject to such terms and conditions and on

¹ Enforced w.e.f. 1-9-2025 vide SO 3994(E), dt. 1-9-2025.

payment of such additional amount as may be prescribed by the Central Government.

Explanation : For the purposes of this section, the expression “deep-seated minerals” means such minerals which occur at a depth of more than two hundred meters from the surface of land with poor surface manifestations.’

4. Amendment of section 8A

In the principal Act, in section 8A, in sub-section (7A),—

- (i) the words “up to fifty per cent. of the total mineral produced in a year” shall be omitted;
- (ii) for the first proviso, the following shall be substituted, namely:—

“PROVIDED that the State Government may permit sale of dumps which has been stacked up to such date as may be specified by the Central Government in the leased area on payment of additional amount specified in the Sixth Schedule:”.

5. Amendment of section 9C

In the principal Act, in section 9C,—

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

“National Mineral Exploration and Development Trust.”;
- (ii) in sub-section (1), for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted;
- (iii) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) The object of the Trust shall be to use the funds accrued to the Trust within India, including the offshore areas, and outside India for the purposes of regional and detailed exploration and development of mines and minerals in such manner as may be prescribed by the Central Government.”;
- (iv) in sub-section (4), for the words “two per cent.”, the words “three per cent.” shall be substituted;
- (v) in sub-section (5), for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted.

6. Amendment of section 10B

In the principal Act, in section 10B, in sub-section (2), the words “, after obtaining the previous approval of the Central Government,” shall be omitted.

7. Amendment of section 13

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

- (i) after clause (k), the following clause shall be inserted, namely:—

“(ka) terms and conditions and additional amount under sub-section (2) of section 6A;”;
- (ii) in clauses (qqb), (qqc) and (qqd), for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted;

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

“(xc) conditions for inclusion of any mineral other than minor mineral in a lease granted in respect of a minor mineral under sub-section (5) of section 15B;”.

8. Insertion of new section 15B

In the principal Act, after section 15A, the following section shall be inserted, namely:—

“15B. Inclusion of other minerals in mining lease

(1) A holder of a mining lease may apply to the State Government for inclusion of any other mineral in his mining lease on the basis of a geological report in relation to that lease and the State Government shall permit inclusion of such mineral within sixty days of such application, subject to the payment of such additional amount on dispatch of the included mineral as specified in the Eighth Schedule.

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

(3) The holder of mining lease shall submit such reports or returns to the State Government and any other authority in respect of the included mineral as may be specified by the Central Government.

(4) The provision of this section shall apply for inclusion of any minor mineral in a lease granted in respect of a mineral other than minor mineral and the State Government may, by notification in the Official Gazette, specify the royalty and other payments to be made by the lessee on dispatch of such included minor mineral.

(5) Inclusion of any mineral other than minor mineral in a lease granted in respect of a minor mineral shall be made in accordance with the conditions as may be prescribed for this purpose by the Central Government and such rules may provide for all or any of the matters, namely:—

- (i) the extent of presence of mineral other than minor mineral as compared to minor mineral in the lease;
- (ii) termination of the lease in the interest of regulation of mines and mineral development and grant of a fresh lease in the area as a lease in respect of mineral other than minor mineral;
- (iii) regulation of such lease as a lease granted for mineral other than minor minerals;
- (iv) additional payment as specified in the Eighth Schedule to be made upon inclusion of a mineral other than minor mineral.

(6) Any mineral may be included under this section in a mining lease granted in respect of atomic mineral specified in Part B of the First Schedule where the grade of atomic mineral is equal to or above the notified threshold value with prior approval of the Central Government.

(7) No atomic mineral as specified in Part B of the First Schedule where the grade of atomic mineral is equal to or above the notified threshold value shall be included in the mining lease granted in respect of minerals other than such atomic minerals.”.

9. Insertion of new section 18B

In the principal Act, after section 18A, the following section shall be inserted, namely:—

“18B. Development of market

(1) The Central Government shall endeavour to promote development of market, including trading of minerals, its concentrate or its processed forms (including metals) through mineral exchanges in such manner as may be prescribed by the Central Government.

(2) The Central Government may, by notification in the Official Gazette, appoint any authority to register and regulate mineral exchanges.

(3) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) registration of mineral exchanges and revocation of such registration;
- (b) regulation of all aspects and activities of mineral exchanges and market oversight;
- (c) levy of fees and other charges;
- (d) maintenance of a data bank of information on activities relating to mineral trading on mineral exchanges;
- (e) prevention of cartelization, insider trading, circular trading, market manipulation and any other matter which is detrimental to the participants of the mineral exchanges;
- (f) grievance redressal of participants of mineral exchanges; and
- (g) any other matter which is to be, or may be, prescribed.”.

10. Amendment of Fifth Schedule

In the principal Act, in the Fifth Schedule,—

- (i) for serial number 2 and the entries relating thereto, the following serial numbers and the entries shall be substituted, namely:—

“2.	Minerals specified in Part-D of the First Schedule	Nil
2A.	Minerals specified in Seventh Schedule (other than those specified in Part-D of the First Schedule)	Equivalent to fifty per cent. of the royalty payable”;

- (ii) in the *Explanation*, for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted.

11. Amendment of Sixth Schedule

In the principal Act, in the Sixth Schedule,—

- (i) under the sub-heading (i) for non-auctioned captive mines (other than coal and lignite), after serial number 5 and the entries relating thereto, the following serial numbers and the entries shall be inserted, namely:—

“5A.	Minerals specified in Part-D of the First Schedule	Nil”;
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- (ii) in the *Explanation*, under clause (a), for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted.

12. Insertion of new Schedule

In the principal Act, after the Seventh Schedule, the following Schedule shall be inserted, namely:—

“THE EIGHTH SCHEDULE

[See section 15B(1), (2) and (5)]

<i>Type of mining lease</i>	<i>Additional amount in case the included mineral is a mineral specified in Part-D of the First Schedule or the Seventh Schedule</i>	<i>Additional amount in case the included mineral is not a mineral specified in Part-D of the First Schedule or the Seventh Schedule</i>
(1)	(2)	(3)
(i) Auctioned mining lease (including coal and lignite mining lease auctioned on revenue share basis for sale of coal).	Nil	Nil
(ii) Non-auctioned mining lease.	Nil	Equivalent to amount of royalty on the included mineral.
(iii) Coal and lignite mining lease auctioned on per tonne basis or power tariff basis.	Nil	Equivalent to amount of royalty on the included mineral.

Explanation : For the purpose of this Schedule, it is hereby clarified that—

- (i) the additional amount shall be in addition to royalty or payment to the District Mineral Foundation and National Mineral Exploration and Development Trust or any other statutory payment;
- (ii) in case an additional amount specified in the Fifth Schedule is paid by the lessee in respect of a mineral, no additional amount under this Schedule shall be payable in respect of such included mineral;
- (iii) in case of auctioned mines,—
 - (a) auction premium shall not be payable in respect of the included mineral if the included mineral is a mineral specified in Part-D of the First Schedule or the Seventh Schedule;
 - (b) auction premium shall be payable in respect of the included mineral if the included mineral is not a mineral specified in Part-D of the First Schedule or the Seventh Schedule.”.

**THE MINES AND MINERALS
(DEVELOPMENT AND
REGULATION)
AMENDMENT ACT, 2023**
(No. 16 of 2023, dt. 9-8-2023)

An Act 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. Short title and commencement

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

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

2. Amendment of section 3

In section 3 of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957) (hereinafter referred to as the principal Act), in section 3,—

(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;’

3. Amendment of section 4

In section 4 of the principal Act, in sub-section (1), after the words “prospecting licence”, the words “or of a exploration licence” shall be inserted.

4. Amendment of section 4A

In section 4A of the principal Act,—

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

¹ Enforced w.e.f. 17-8-2023 vide SO 3684(E), dt. 17-8-2023.

“Termination of prospecting licences, exploration licences or mining leases.”;

- (ii) in sub-section (1), 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.

5. Amendment of section 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.”.

6. Amendment of section 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 (1),—

- (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.

7. Substitution of Chapter heading of Chapter III

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. Amendment of section 10

In section 10 of the principal Act,—

- (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. Insertion of new section 10BA

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

“10BA. Grant of exploration licence for minerals specified in Seventh Schedule through auction

- (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.

(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. Insertion of new section 11D

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

“11D. Central Government to conduct auction for grant of mining lease or composite licence in respect of minerals specified in Part D of First Schedule

(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.

(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. Amendment of section 12

In section 12 of the principal Act,—

(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. Amendment of section 12A

In section 12A of the principal Act,—

(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. Substitution of Chapter heading of Chapter IV

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

“RULES FOR REGULATING THE GRANT OF MINERAL CONCESSIONS”.

14. Amendment of section 13

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

(i) clause (ac) shall be omitted;

(ii) in clause (qqg), 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;”.

15. Amendment of section 17A

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.

16. Amendment of section 18A

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.

17. Amendment of section 19

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.”.

18. Amendment of section 21

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

19. Amendment of section 24A

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.”.

20. Amendment of First Schedule

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, leucoxene, 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. *Insertion of new Seventh Schedule*

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

“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.”.

THE OFFSHORE AREAS MINERAL (DEVELOPMENT AND REGULATION) AMENDMENT ACT, 2023 (17 of 2023, dt. 10-8-2023)

An Act to amend the Offshore Areas Mineral (Development and Regulation) Act, 2002.

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

1. Short title and commencement

(1) This Act may be called the Offshore Areas Mineral (Development and Regulation) Amendment Act, 2023.

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

2. Amendment of section 4

In the Offshore Areas Mineral (Development and Regulation) Act, 2002 (17 of 2003) hereinafter referred to as the principal Act), in section 4,—

- (i) in clause (b), after the words, brackets and figures “Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the words “and the rules made thereunder” shall be inserted;
- (ii) after clause (c), the following clauses shall be inserted, namely:—
 - ‘(ca) “composite licence” means the exploration licence-cum-production lease, which is a two stage operating right granted for the purpose of undertaking exploration operation followed by production operation;
 - (cb) “dispatch” means removal of minerals or mineral products from the area covered under the production lease and includes the consumption of minerals and mineral products within such area;’
- (iii) in clause (d), for the words and figures “under section 12”, the words “for the purpose of undertaking exploration operation” shall be substituted;
- (iv) after clause (e), the following clause shall be inserted, namely:—
 - ‘(ea) “Government company” shall have the meaning assigned to it in clause (45) of section 2 of the Companies Act, 2013 (18 of 2013);’
- (v) in clause (i), for the words “the production lease”, the words “a production lease” shall be substituted;
- (vi) in clause (j), for the words “the exploration licence is granted”, the words “a composite licence, or an exploration licence, is granted” shall be substituted;

¹ Enforced w.e.f. 17-8-2023 vide SO 3685(E), dt. 17-8-2023.

- (vii) in clause (k), for the words “an exploration licence or production lease”, the words “a composite licence, or an exploration licence, or a production lease” shall be substituted;
- (viii) in clause (o), for the words “an exploration licence, or a production lease”, the words “a composite licence, or an exploration licence, or a production lease” shall be substituted;
- (ix) after clause (r), the following clause shall be inserted, namely:—
 - ‘(ra) “production”, with its grammatical variation and cognate expressions, means the winning of mineral within the area covered under a production lease for the purpose of processing or dispatch;’;
- (x) in clause (t), for the words and figures “under section 13”, the words and figures “under section 8 or section 12 or section 13” shall be substituted;
- (xi) in clause (v), the words and figures “under section 11” shall be omitted;
- (xii) after clause (v), the following clause shall be inserted, namely:—
 - ‘(va) “standard block” means a block of the offshore area of one minute latitude by one minute longitude and includes the seabed and its subsoil and waters superjacent to the seabed within such block;’;
- (xiii) in clause (w), for the words “boat, sailing vessel or any other vessel of any description”, the words “barge, boat, container, sailing vessel or stationary vessel or any other vessel of any description, submersible or otherwise and remotely operated or otherwise, used in any operation or any activity pursuant thereto” shall be substituted.

3. *Amendment of section 5*

In section 5 of the principal Act,—

- (a) in sub-section (1),—
 - (i) for the words “exploration licence or production lease granted”, the words “a composite licence, or an exploration licence, or a production lease, granted” shall be substituted;
 - (ii) in the proviso,—
 - (A) for the words “Atomic Minerals Directorate of Exploration and Research”, the words “Atomic Minerals Directorate for Exploration and Research” shall be substituted;
 - (B) for the words “Naval Hydrographic Office of the Indian Navy”, the words “the National Hydrographic Office” shall be substituted;
 - (C) for the words “any other agency duly authorised in this behalf by the Central Government”, the words “any other agency including a private entity, duly authorised in this behalf by the Central Government by notification in the Official Gazette, subject to such conditions as may be specified therein” shall be substituted;
- (b) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) Every permittee, licensee and lessee referred to in sub-section (1), and the Government organisation, agency or private entity referred to in the proviso thereof, shall—

 - (a) furnish to the administering authority and such other authority as may be prescribed, all exploration and operational data, reports, samples and other information in respect of or collected pursuant to an

operation, in such manner and within such period, as may be prescribed; and

- (b) all exploration and operational data, reports, samples and other information in respect of or collected pursuant to an operation, shall be held by such permittee, licensee, lessee, Government organisation, agency or private entity, as the case may be, in strict confidence and any dissemination, pursuant to a sale or otherwise, of such data, reports or other information, or sharing of its samples, shall be subject to such terms and conditions, as may be prescribed.”;
- (c) in sub-section (4),—
 - (i) for the words “granted or renewed”, the words “granted, extended or acquired” shall be substituted;
 - (ii) for the words “exploration licence or production lease granted, renewed or acquired”, the words “composite licence, exploration licence or production lease, granted, extended or acquired” shall be substituted.

4. Amendment of section 6

In section 6 of the principal Act,—

- (i) in clause (a), for the words and figures “section 3 of the Companies Act, 1956 (1 of 1956)”, the words, brackets and figures “clause (20) of section 2 of the Companies Act, 2013 (18 of 2013)” shall be substituted;
- (ii) for the proviso, the following provisos shall be substituted, namely:—

“PROVIDED that no exploration licence, or composite licence, or production lease shall be granted for an area to any person other than the Government, a Government company or a corporation, in respect of any minerals specified in Part B of the First Schedule to the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), subject to such conditions and manner as may be prescribed, where the grade of such mineral in such area is equal to or greater than such threshold value as the Central Government may, by notification in the Official Gazette, specify:

PROVIDED FURTHER that no production lease shall be granted in respect of any part of the offshore area, unless the existence of mineral resources in such offshore area has been adequately established in accordance with such parameters as may be prescribed.”.

5. Amendment of section 7

In section 7 of the principal Act,—

- (a) in sub-section (1),—
 - (i) for the words “that it is expedient in the interest of”, the words “that it is expedient in public interest, strategic interest of the country, in the interest of” shall be substituted;
 - (ii) after the words “conservation of mineral resources”, the words “or for any other reason” shall be inserted;
- (b) in sub-section (2), for the words “opportunity of being heard”, the words “opportunity of being heard, except in cases where premature termination is being done on the grounds of strategic interest of the country” shall be substituted;

- (c) in sub-section (3),—
- (i) in the proviso, for the words “condone such non-commencement or discontinuation.”, the words and figures “extend the period specified in section 14 by a further period not exceeding one year and such extension shall not be granted for more than once during the entire period of operating right:” shall be substituted;
 - (ii) after the proviso, the following proviso shall be inserted, namely:—

“PROVIDED FURTHER that where the holder of operating right—

 - (a) fails to undertake operation; or
 - (b) having commenced the operation, discontinues such operation,

before the end of the extended period, such operating right shall also lapse from the date of execution of the lease or, as the case may be, discontinuance of the operation.”;
- (d) after sub-section (3), the following shall be inserted, namely:—
- “(4) Where the holder of a production lease fails to undertake production and dispatch for a period of four years after the date of execution of the lease, or having commenced production and dispatch, discontinues the same for a period of two years, then such lease shall lapse on the expiry of the period of four years from the date of its execution or, as the case may be, two years from date of discontinuance of the production and dispatch:
- PROVIDED that the administering authority may, on an application made by the lessee, and after being satisfied that such non-commencement of production, or dispatch, or discontinuation thereof, was due to the reasons beyond the control of the lessee, may extend such period by a further period not exceeding one year, but such extension shall not be granted for more than once during the entire period of lease:
- PROVIDED FURTHER that where the lessee,—
- (a) fails to undertake production or dispatch; or
 - (b) having commenced the production and dispatch, discontinues the same,
- before the end of the extended period, such lease shall lapse from the date of its execution or, as the case may be, discontinuance of production or dispatch.”.

6. Amendment of section 8

In section 8 of the principal Act, after sub-section (2), the following sub-sections shall be inserted, namely:—

“(3) Where the Central Government reserves any offshore area under sub-section (1), the administering authority may, subject to such terms and conditions as may be prescribed, grant a composite licence, or a production lease, in such area or any part thereof to the Government, or a Government company, or a corporation.

(4) A composite licence or a production lease granted to the Government, or a Government company, or a corporation under sub-section (3) shall be subject to the same terms and conditions applicable to a licensee or a lessee, as the case may be, except the procedure specified for grant of a composite licence under section 12 or a production lease under section 13.

(5) Where a Government company, or corporation is desirous of carrying out the exploration operation or production operation in a joint venture with other persons, the joint venture partner shall be selected through a competitive process, and such Government company or corporation shall hold more than seventy-four per cent. of the paid up share capital in such joint venture.”.

7. Amendment of section 9

In section 9 of the principal Act,—

- (a) in sub-section (1),—
 - (i) after the words “any operating right, for”, the words “such period as may be specified in the order, for” shall be inserted;
 - (ii) for the words “offshore mineral, or for national security”, the words “offshore mineral, or for regulation of offshore areas, or for national security” shall be substituted;
- (b) in sub-section (2),—
 - (i) after the words “purposes of the operating right”, the words “for such period as may be specified in the order” shall be inserted;
 - (ii) for the words “from the date specified therein”, the words “during the period of closure specified therein” shall be substituted.

8. Amendment of section 10

In section 10 of the principal Act,—

- (a) in sub-section (1),—
 - (i) for the brackets, figure and words “(1) Within six months”, the words “Within six months” shall be substituted;
 - (ii) for the words “reconnaissance permit, exploration licence or production lease”, the words “reconnaissance permit, or exploration licence, or composite licence, or production lease” shall be substituted;
- (b) sub-sections (2) and (3) shall be omitted.

9. Omission of section 11

Section 11 of the principal Act shall be omitted.

10. Substitution of new sections for sections 12 and 13

For sections 12 and 13 of the principal Act, the following sections shall be substituted, namely:—

“12. Grant of composite licence

(1) The administering authority may, in respect of an offshore area where the existence of mineral resources has not been adequately established for grant of a production lease as required by the second proviso to section 6, after inviting applications in this behalf, select any person for grant of a composite licence, who—

- (a) fulfils the eligibility conditions as specified in this Act and such conditions as may be prescribed; and
- (b) is selected through auction by method of competitive bidding, including e-auction, conducted on the basis of such terms and conditions, manner and bidding parameters, as may be prescribed.

(2) The Central Government shall grant the composite licence to the person selected in accordance with the procedure laid down in sub-section (1).

(3) The licensee shall complete the exploration operations satisfactorily, as specified in the notice inviting applications, within a period of three years from the date of grant of the composite licence:

PROVIDED that the administering authority may, on an application made by the licensee three months before the lapse of the said period, for reasons to be recorded in writing and subject to such conditions as may be prescribed, grant an extension for a period of two years to the licensee for satisfactory completion of the exploration operations:

PROVIDED FURTHER that no further extension shall be granted upon expiry of the extended period, if any, granted under the first proviso.

(4) The area granted under a composite licence shall comprise of contiguous standard blocks, which in aggregate do not exceed an area of thirty minutes latitude by thirty minutes longitude.

(5) Every licensee shall, on being granted a composite licence, commence and carry out exploration operation subject to such terms, milestones and relinquishment requirements, as may be prescribed.

(6) A licensee, who has adequately established the existence of mineral resources in an offshore area held under the composite licence, or part thereof, as required by the second proviso to section 6, shall, within the period specified or extended under sub-section (3), subject to such terms and conditions, and on making an application to the administering authority in such form, as may be prescribed, be granted one or more production leases:

PROVIDED that such licensee—

- (a) is not in breach of the terms and conditions of his composite licence;
- (b) continues to be eligible for grant of a production lease in accordance with section 6; and
- (c) has applied for grant of production lease within six months of completion of his exploration operations:

PROVIDED FURTHER that the total area of such production lease or production leases, granted in pursuance of a single composite licence, shall not exceed fifteen minutes latitude by fifteen minutes longitude.

(7) The administering authority shall, on receipt of an application under sub-section (6), and on being satisfied that the licensee meets the requirements under the provisions of this Act and the rules made thereunder, recommend to the Central Government for grant of production lease to such licensee.

(8) The Central Government shall, on receipt of a recommendation under sub-section (7) from the administering authority, grant production lease to the licensee in accordance with such procedure as may be prescribed.

(9) Every production lease granted in pursuance of a composite licence shall be for a period of fifty years.

(10) All rights and interests held under a composite licence in the parts of an offshore area, in respect of which no production lease is granted, shall cease to exist upon expiry of the composite licence.

(11) The provisions of this section shall not apply to—

- (a) the areas covered under section 8; and
- (b) the minerals specified in Part B of the First Schedule to the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), where the grade of atomic mineral is equal to or greater than such threshold

value, as the Central Government may, by notification in the Official Gazette, specify.

13. Grant of production lease

(1) The administering authority may, in respect of an offshore area where the existence of mineral resources has been adequately established for grant of production lease as required by the second proviso to section 6, after inviting applications in this behalf, select any person for grant of a production lease, who—

- (a) fulfils the eligibility conditions as specified in this Act and such conditions as may be prescribed; and
- (b) is selected through auction by method of competitive bidding, including e-auction, conducted on the basis of such terms and conditions, manner and bidding parameters, as may be prescribed.

(2) The Central Government shall grant the production lease to the applicant selected in accordance with the procedure laid down under sub-section (1).

(3) Every production lease under this section shall be granted for a period of fifty years.

(4) The area under a production lease shall comprise of contiguous standard blocks and shall not exceed an area of fifteen minutes latitude by fifteen minutes longitude.

(5) Upon grant of a production lease, the lessee shall commence and carry out production operation in such manner and subject to such terms and conditions, as may be prescribed.

(6) The provisions of this section shall not apply to—

- (a) the areas covered under section 8; and
- (b) the minerals specified in Part B of the First Schedule to the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), where the grade of atomic mineral is equal to or greater than such threshold value, as the Central Government may, by notification in the Official Gazette, specify.”.

11. Insertion of new sections 13A, 13B and 13C

After section 13 of the principal Act, the following sections shall be inserted, namely:—

"13A. Maximum area for which operating rights may be granted

(1) Notwithstanding anything contained in section 12 or section 13, no person shall acquire in respect of any mineral or a group of associated minerals, as may be prescribed, one or more exploration licence, composite licence and production lease, all taken together and covering a total area of more than forty-five minutes latitude by forty-five minutes longitude:

PROVIDED that if the Central Government is of the opinion that in the interest of the development of any mineral or industry, it is necessary so to do, it may, for the reasons to be recorded in writing, increase or decrease the said area limit in respect of any mineral or any specified category of deposits of such mineral or such group of associated minerals.

(2) For the purposes of this section, a person acquiring by, or in the name of, another person an operating right which is intended for himself, shall be deemed to be acquiring it himself.

(3) For the purposes of determining the total area referred to in sub-section (1), the area held under an operating right by a person as a member of a co-operative society, or a company, or a corporation, or a Hindu undivided family, or a partner of a firm, shall be deducted from the area referred to in sub-section (1) so that the sum total of the area held by such person, under an operating right, whether as such member or partner, or individually, may not, in any case, exceed the total area specified in sub-section (1).

13B. Transfer of composite licence or production lease

(1) A composite licence or a production lease granted under section 8, or through competitive bidding under section 12 or section 13, may be transferred by the relevant licensee or lessee, as the case may be, in such manner and subject to such conditions, as may be prescribed, to any person eligible for grant of such licence or lease, under the provisions of this Act:

PROVIDED that no such transfer of a composite licence or a production lease shall be made in contravention of any conditions, subject to which such licence or lease was granted.

Explanation : For the purposes of this sub-section, it is clarified that transfer may include one or more production leases, granted pursuant to one composite licence.

(2) The provisions of this Act, the rules made thereunder and the terms and conditions of a composite licence or a production lease, shall be binding upon the person to whom such licence or lease, as the case may be, is transferred under sub-section (1).

13C. Certain applications and exploration licence to become ineligible

(1) On and from the date of commencement of the Offshore Areas Mineral (Development and Regulation) Amendment Act, 2023, auction being the sole method of selection for grant of composite licence or production lease under sections 12 and 13,—

- (a) all applications received prior to the said date of commencement for grant of composite licence or production lease shall become ineligible;
- (b) any exploration licence granted prior to the said date of commencement shall become ineligible for grant of production lease over the offshore area covered by such exploration licence.

(2) The provisions of sub-section (1) shall be applicable notwithstanding anything contained in this Act, or any order or direction to the contrary, passed by any court or authority, prior to the commencement of the Offshore Areas Mineral (Development and Regulation) Amendment Act, 2023.”.

12. Amendment of section 14

In section 14 of the principal Act, after clause (a), the following clause shall be inserted, namely:—

“(aa) composite licence—one year;”.

13. Amendment of section 16

In section 16 of the principal Act, in sub-section (1), for the words “consumed by him from the area covered under the production”, the words “consumed from the area covered under his production” shall be substituted.