

Mineral Concession Rules (Amendment)

March 6, 2021

In News

The Ministry of Mines invited comments on the following amendments proposed in the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act). The MMDR Act regulates the overall mining sector in India.

Key amendments

- **Transfer of statutory clearances**
 - The Act provides for the transfer of statutory clearances to the new lessee of expiring mining leases for a period of two years.
 - The new lessee is required to obtain fresh clearances within this two-year period.
 - The Ministry noted that new lessees are facing difficulties in obtaining these clearances within the specified period.
 - Hence, the transferred statutory clearances will be valid till the exhaustion of mineable reserves.
- **Sale of minerals by captive mines**
 - Lessee of captive mines (other than coal, lignite, and atomic minerals) will be allowed to sell up to 50% of minerals excavated during a year, after meeting the requirement of the attached plant.
 - The lessee will be required to pay additional charges for such sale.
 - The additional amount payable will be as a percentage of the royalty.
- **Additional charges payable by government companies**
 - Under the Act, in case where a mining block (other

than coal, lignite, and atomic minerals) is reserved in favour of a government company, the company is required to pay additional charges.

- Currently, these charges are prescribed by the central government.
- The amendments propose to specify additional charges for the grant as well as the extension of mining leases to government companies in the Act itself.
- **Auction by central government**
 - Under the Act, states conduct the auction of mineral concessions.
 - The amendments seek to empower the central government to conduct the auction in cases where the state governments face challenges in the conduct of the auction or fail to conduct the auction.
- **Sale of coal from captive mines**
 - Sale of up to 50% of coal produced by captive mines will be allowed.
 - The additional amount payable for such sale will be prescribed by the Ministry of Coal.