

Bill No. 72 of 2016

THE MINES AND MINERALS (DEVELOPMENT AND REGULATION)
AMENDMENT BILL, 2016

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BILL

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

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

1. This Act may be called the Mines and Minerals (Development and Regulation) Amendment Act, 2016. Short title.

67 of 1957. 5 **2.** In section 3 of the Mines and Minerals (Development and Regulation) Act, 1957 Amendment of section 3.
(hereinafter referred to as the principal Act), for clause (a), the following clauses shall be substituted, namely:—

10 ‘(a) “leased area” means the area specified in the mining lease within which mining operations can be undertaken and includes the non-mineralised area required and approved for the activities falling under the definition of mine as referred to in clause (i);

 (aa) “minerals” includes all minerals except mineral oils;’.

Amendment
of section
12A.

3. In section 12A of the principal Act, in sub-section (6), the following shall be inserted, namely:—

‘Provided that where a mining lease has been granted otherwise than through auction and where mineral from such mining lease is being used for captive purpose, such mining lease may be permitted to be transferred subject to compliance of such terms and conditions and payment of such amount or transfer charges as may be prescribed. 5

Explanation.—For the purposes of this proviso, the expression “used for captive purpose” shall mean the use of the entire quantity of mineral extracted from the mining lease in a manufacturing unit owned by the lessee.’. 10

Amendment
of section 13.

4. In section 13 of the principal Act, in sub-section (2), after clause (qqj), the following clause shall be inserted, namely:—

“(qqja) the terms and conditions and amount or transfer charges under the proviso to sub-section (6) of section 12A;”.

STATEMENT OF OBJECTS AND REASONS

The Mines and Minerals (Development and Regulation) Act, 1957 was enacted to govern the development and regulation of mines and minerals.

2. Sub-section (6) of section 12A of the said Act provides that the transfer of mineral concessions shall be allowed only for concessions which are granted through auction. The Central Government has received representations from industry associations stating that the said sub-section has caused difficulties which does not allow merger and acquisition of a company having captive leases. The Central Government has also received representations seeking clarification regarding areas for dumping of mining wastes in view of the observations made by the Supreme Court of India in Writ Petition (Civil) No. 562 of 2009 and Writ Petition (Civil) No. 435 of 2012.

3. It is, therefore, felt necessary to provide for transfer of captive mining leases granted otherwise than through auction in order to facilitate legitimate business transactions. It was also felt necessary to define “leased area” in order to expand the scope of lease area by including therein dumping of mineral rejects.

4. The Bill seeks to achieve the above object.

NEW DELHI;

NARENDRA SINGH TOMAR

The 14th March, 2016.

FINANCIAL MEMORANDUM

The Bill seeks to amend the Mines and Minerals (Development and Regulation) Act, 1957 in order to allow the transfer of mining leases granted otherwise than through auction and where mineral from such mining lease is being used for captive purpose.

2. The Bill, if enacted, is not likely to involve any recurring or non-recurring expenditure.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 3 of the Bill seeks to insert a proviso in sub-section (6) of section 12A of the Mines and Minerals (Development and Regulation) Act, 1957 to allow the transfer of mining leases granted otherwise than through auction and where mineral from such mining lease is being used for captive purpose. The said proviso empowers the Central Government to prescribe the terms and conditions and the payment of such amount or transfer charges subject to which the mining lease may be transferred.

2. The matters in respect of which rules may be made are matters of procedure and administrative detail and it is not practicable to provide for them in the proposed legislation itself. The delegation of legislative power is, therefore, of a normal character.

ANNEXURE

EXTRACTS FROM THE MINES AND MINERALS (DEVELOPMENT AND REGULATION) ACT, 1957

(67 OF 1957)

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Definitions.

3. In this Act, unless the context otherwise requires,—

(a) "minerals" includes all minerals except mineral oils;

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Transfer of mineral concessions.

12A. (1) The provisions of this section shall not apply to minerals specified in Part A or Part B of the First Schedule.

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(6) The transfer of mineral concessions shall be allowed only for concessions which are granted through auction.

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RULES FOR REGULATING THE GRANT OF PROSPECTING LICENCES AND MINING LEASES

Power of Central Government to make rules in respect of minerals.

13. (1) * * * * *

(2) 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:—

(qqj) the terms and conditions, and procedure, including the bidding parameters for the selection under sub-section (6) of section 11;

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

(Shri Narendra Singh Tomar, Minister of Steel and Mines)