

Bill Summary

The Mines and Minerals (Development and Regulation) Amendment Bill, 2016

- The Mines and Minerals (Development and Regulation) Amendment Bill, 2016 was introduced in Lok Sabha on March 16, 2016. The Bill amends the Mines and Minerals (Development and Regulation) Act, 1957.
- The Mines and Minerals (Development and Regulation) Act, 1957 regulates the mining sector in India and specifies the requirement for obtaining and granting leases for mining operations.
- **Transfer of mining leases:** The Act allows for the transfer of mining leases which have been granted through an auction process. The holder of these mining leases may transfer the lease to any eligible person, with the approval of the state government, and as specified by the central government. If the state government does not convey its approval within 90 days of receiving the notice, the transfer shall be considered as approved. No transfer shall take place if the state government communicates, in writing, that the transferee is not eligible.
- The Bill allows for the transfer of mining leases which have been granted through procedures other than auction, and where the minerals are used for captive purpose. Captive purpose has been defined as the use of the entire quantity of mineral extracted in the lessee's own manufacturing unit. Such lease transfers will be subject to terms and conditions, and transfer charges as prescribed by the central government. These transfers will be in addition to the existing transfers that are allowed.
- According to the Statement of Objects and Reasons of the Bill, this provision will allow for merger and acquisition of companies with captive mining leases.
- **Leased area:** The Bill adds a definition of leased area, as the area within which mining operations can be undertaken. This will also include the non-mineralised area required for the activities defined under mine in the Mines Act, 1952. The 1952 Act defines mine as any excavation where any operation for searching or obtaining of minerals is being carried out. It includes (i) borings, bore wells, and oil wells, (ii) all opencast workings, (iii) all workshops and stores within the precinct of a mine, and (iv) any premises being used for depositing waste from a mine or where any operations in connection with such waste is being carried out.

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