

The Mines and Minerals (Development and Regulation) Act, 1957

SUMMARY

The Mines and Minerals (Development and Regulation) Act, 1957 was enacted to regulate the mining sector in India and to promote the development of minerals. It provides for the acquisition and leasing of mining rights, and regulates the grant of licenses and leases. The Act also lays down the conditions for the exploration, development, and conservation of minerals, and the protection of the environment. The central government has the power to make rules for the implementation of the Act, and the state governments are responsible for enforcing the provisions of the Act within their respective territories. The Act has been amended several times to keep pace with changing circumstances and to ensure the sustainable development of minerals in India.

TABLE OF CONTENTS

CHAPTER I: PRELIMINARY

Section 1: Short Title, Extent And Commencement

Section 2: Declaration As To Expediency Of Union Control

Section 3: Definitions

CHAPTER II: GENERAL RESTRICTIONS ON UNDERTAKING PROSPECTING AND MINING OPERATIONS

Section 4: Prospecting Or Mining Operations To Be Under Licence Or Lease

Section 4A: Termination Of Prospecting Licences Or Mining Leases

Section 4B: Conditions For Efficiency In Production

Section 5: Restrictions On The Grant Of Prospecting Licences Or Mining Leases

Section 6: Maximum Area For Which A Prospecting Licence Or Mining Lease May Be Granted

Section 7: Periods For Which Prospecting Licences May Be Granted Or Renewed

Section 8: Periods For Which Mining Leases May Be Granted Or Renewed

Section 8A: Period Of Grant Of A Mining Lease For Minerals Other Than Coal, Lignite And Atomic Minerals

Section 8B: Provisions For Transfer Of Statutory Clearances

Section 9: Royalties In Respect Of Mining Leases

Section 9A: Dead Rent To Be Paid By The Lessee

Section 9B: District Mineral Foundation

Section 9C: National Mineral Exploration Trust

CHAPTER III: PROCEDURE FOR OBTAINING, PROSPECTING LICENCES OR MINING LEASES IN RESPECT OF LAND IN WHICH THE MINERALS VEST IN THE GOVERNMENT

Section 10: Application For Prospecting Licences Or Mining Leases

Section 10A: Rights Of Existing Concession Holders And Applicants

Section 10B: Grant Of Mining Lease In Respect Of Notified Minerals Through Auction

Section 10C: Omitted

Section 11: Grant Of Composite Licence Through Auction In Respect Of Minerals Other Than Notified Minerals

Section 11A: Granting Of Mineral Concession Or Composite Licence In Respect Of Coal Or Lignite

Section 11B: Power Of Central Government To Make Rules For Regulating Atomic Minerals Specified Under Part B Of First Schedule

Section 11C: Power Of Central Government To Amend First Schedule And Fourth Schedule

Section 12: Registers Of Prospecting Licences And Mining Leases

Section 12A: Transfer Of Mineral Concessions

CHAPTER IV: RULES FOR REGULATING THE GRANT OF PROSPECTING LICENCES AND MINING LEASES

Section 13: Power Of Central Government To Make Rules In Respect Of Minerals

Section 13A: Power Of Central Government To Make Rules For Grant Of Prospecting Licences Or Mining Leases In Respect Of Territorial Waters Or Continental Shelf Of India

Section 14: [Sections 5 To 13] Not To Apply To Minor Minerals

Section 15: Power Of State Governments To Make Rules In Respect Of Minor Minerals

Section 15A: Power Of State Government To Collect Funds For District Mineral Foundation In Case Of Minor Minerals

Section 16: Power To Modify Mining Leases Granted Before 25Th October, 1949

CHAPTER V: SPECIAL POWERS OF CENTRAL GOVERNMENT TO UNDERTAKE PROSPECTING OR MINING OPERATIONS IN CERTAIN CASES

Section 17: Special Powers Of Central Government To Undertake Prospecting Or Mining Operations In Certain Lands

Section 17A: Reservation Of Areas For Purposes Of Conservation

CHAPTER VI: DEVELOPMENT OF MINERALS

Section 18: Mineral Development

Section 18A: Power To Authorise Geological Survey Of India, Etc, To Make Investigation

CHAPTER VII: MISCELLANEOUS

Section 19: Prospecting Licences And Mining Leases To Be Void If In Contravention Of Act

Section 20: Act And Rules To Apply To All Renewals Of Prospecting Licences And Mining Leases

Section 20A: Power Of Central Government To Issue Directions

Section 21: Penalties

Section 22: Cognizance Of Offences

Section 23: Offences By Companies

Section 23A: Compounding Of Offences

Section 23B: Power To Search

Section 23C: Power Of State Government To Make Rules For Preventing Illegal Mining, Transportation And Storage Of Minerals

Section 24: Power Of Entry And Inspection

Section 24A: Rights And Liabilities Of A Holder Of Prospecting Licence Or Mining Lease

Section 25: Recovery Of Certain Sums As Arrears Of Land Revenue

Section 26: Delegation Of Powers

Section 27: Protection Of Action Taken In Good Faith

Section 28: Rules And Notifications To Be Laid Before Parliament And Certain Rules To Be Approved By Parliament

Section 29: Existing Rules To Continue

Section 30: Power Of Revision By Central Government

Section 30A: Special Provisions Relating To Mining Leases For Coal Granted Before 25Th October, 1949

Section 30B: Constitution Of Special Courts

Section 30C: Special Courts To Have Powers Of Court Of Session

Section 31: Relaxation Of Rules In Special Cases

Section 32: [Repealed]

Section 33: Validation Of Certain Acts And Indemnity

CHAPTER I: PRELIMINARY

Section 1: Short Title, Extent And Commencement

(1) This Act may be called the Mines and Minerals (Development and Regulation) Act, 1957.

(2) It extends to the whole of India.

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

Simplified Act

(1) The name of this law is the Mines and Minerals (Development and Regulation) Act, 1957.

(2) This law is applicable across all of India.

(3) The law will become active on a date that the Central Government chooses, which they will announce in an official publication.

Explanation using Example

Imagine a company, XYZ Pvt. Ltd., wants to start a mining operation in the state of Rajasthan, India. They would need to comply with the Mines and Minerals (Development and Regulation) Act, 1957, which is the primary legislation governing the mining sector in India. This Act, often referred to as the MMDR Act, outlines the regulations for the development and regulation of mines and minerals under the control of the Union government.

As per Section 1 of the MMDR Act, the company would recognize that this law is applicable to the entire country, which means that regardless of where they wish to operate within India, the provisions of this Act would apply.

Furthermore, they would need to ensure that they are following the Act as it has been in force since the date specified by the Central Government's notification in the Official Gazette.

Section 2: Declaration As To Expediency Of Union Control

It is hereby declared that it is expedient in the public interest that the Union should take under its control the regulation of mines and the development of minerals to the extent hereinafter provided.

Simplified Act

This statement is an official declaration that, for the benefit of the public, the central government will oversee and manage mining operations and the development of mineral resources as detailed in the following sections.

Explanation using Example

Imagine a scenario where a private company intends to start mining operations in a region rich in bauxite. Before they can begin, they must obtain the necessary permissions and comply with the regulations set by the central government. This is because, according to Section 2 of The Mines and Minerals (Development and Regulation) Act, 1957, the regulation of mines and the development of minerals is under the control of the Union for public interest. The company must therefore adhere to the guidelines and procedures established by the central government to ensure that the mining activities are conducted responsibly and sustainably.

Section 3: Definitions

In this Act, unless the context otherwise requires, -

(a) "composite licence" means the prospecting licence - cum - mining lease which is a two stage concession granted for the purpose of undertaking prospecting operations followed by mining operations in a seamless manner;

(aa) "dispatch" means the removal of minerals or mineral products from the leased area and includes the consumption of minerals and mineral products within such leased area;

(ab) "Government company" shall have the same meaning as assigned to it in clause (45) of section 2 of the Companies Act, 2013 (18 of 2013);

(ac) "leased area" means the area specified in the mining lease within which the mining operations can be undertaken and includes the non - mineralized area required and approved for the activities falling under the definition of "mine" as referred to in clause (i);

(ad) "minerals" includes all minerals except minerals oils;

(ae) "minerals concession" means either a reconnaissance permit, prospecting licence, mining lease, composite licence or a combination of any of these and the expression concession shall be construed accordingly;

(b) "mineral oils" includes natural gas and petroleum;

(c) "mining lease" means a lease granted for the purpose of undertaking mining operations, and includes a sub - lease granted for such purpose;

(d) "mining operations" means any operations undertaken for the purpose of winning any mineral;

(e) "minor minerals" means building stones, gravel, ordinary clay, ordinary sand other than sand used for prescribed purposes, and any other mineral which the Central Government may, by notification in the Official Gazette, declare to be a minor mineral;

(ea) "notified minerals" means any mineral specified in the Fourth Schedule;

(f) "prescribed" means prescribed by rules made under this Act;

(fa) "production" or any derivative of the word production means the winning or raising of mineral within the leased area for the purpose of processing or dispatch;

(g) "prospecting licence" means a licence granted for the purpose of undertaking prospecting operations;

(h) "prospecting operations" means any operations undertaken for the purpose of exploring, locating or proving mineral deposit;

(ha) "reconnaissance operations" means any operations undertaken for preliminary prospecting of a mineral through regional, aerial, geophysical or geochemical surveys and geological mapping, but does not include pitting, trenching, drilling (except drilling of boreholes on a grid specified from time to time by the Central Government) or sub - surface excavation;

(hb) "reconnaissance permit" means a permit granted for the purpose of undertaking reconnaissance operations;

(hba) "Schedule" means the Schedules appended to the Act;

(hc) "Special Court" means a Court of Session designated as Special Court under sub - section (1) of section 30B;

(i) the expressions, "mine" and "owner", have the meaning assigned to them in the Mines Act, 1952 (35 of 1952). Explanation For the purpose of this clause, -

a mine continues to be a mine till exhaustion of its mineable mineral reserve and a mine may have different owners during different times from the grant of first mining lease till exhaustion of such mineable mineral reserve;

the expression "mineral reserve" means the economically mineable part of a measured and indicated mineral resource.

Simplified Act

This law includes the following definitions:

Composite licence: A special permission that allows someone to first search for minerals and then mine them without interruption.

Dispatch: The act of moving minerals or their products out of the mining area or using them within that same area.

Government company: This term has the same meaning as in the Companies Act of 2013, specifically in the section that defines what a government company is.

Leased area: The specific area mentioned in a mining lease where mining can happen. It also includes areas not containing minerals but approved for mining-related activities.

Minerals: This includes all types of minerals except for oil-based minerals.

Mineral concession: This could be any permission related to mining, like a permit for initial exploration, a licence to search for minerals, a mining lease, or a composite licence, or any combination of these.

Mineral oils: This includes natural gas and petroleum.

Mining lease: Permission granted to mine minerals, which also covers subleasing.

Mining operations: Any activities done to extract minerals.

Minor minerals: These are common construction materials like stones, gravel, clay, and sand (except certain types of sand), or any other mineral that the government declares as minor.

Notified minerals: Minerals that are listed in the Fourth Schedule of the Act.

Prescribed: Defined or determined by the rules of this Act.

Production: The extraction or mining of minerals within the leased area for processing or dispatch.

Prospecting licence: Permission granted to search for mineral deposits.

Prospecting operations: Activities done to find, locate, or prove the existence of mineral deposits.

Reconnaissance operations: Preliminary searches for minerals using surveys and mapping, but not including more invasive methods like drilling or digging.

Reconnaissance permit: Permission granted to carry out initial searches for minerals.

Schedule: Refers to the Schedules at the end of the Act.

Special Court: A specific court designated to handle cases under this Act.

Mine and owner: These terms are defined in the Mines Act of 1952. A mine remains a mine until its minerals are fully extracted, and it can have different owners over time. "Mineral reserve" refers to the part of a mineral resource that can be mined profitably.

Explanation using Example

Let's consider a hypothetical scenario where a company, GeoExplorers Inc., is interested in mining for copper in a particular region. To understand the application of the definitions provided in Section 3 of The Mines and Minerals (Development and Regulation) Act, 1957, we can follow the steps GeoExplorers Inc. might take:

GeoExplorers Inc. first obtains a reconnaissance permit to conduct preliminary surveys in the region to identify potential copper deposits. This permit allows them to carry out reconnaissance operations such as aerial surveys without drilling.

Upon identifying promising areas, they apply for a prospecting licence to further explore the mineral deposits. With this licence, they perform prospecting operations involving more detailed geological mapping and drilling to prove the presence of copper.

If the prospecting results are positive, GeoExplorers Inc. may apply for a composite licence, which will allow them to transition smoothly from prospecting to mining operations once the copper deposit is deemed economically viable.

With the composite licence, they can start mining operations within the leased area specified in their mining lease. The mined copper is considered a "mineral" as per the Act, and the company can begin "production" and "dispatch" of the copper for processing and sale.

Throughout the mining process, GeoExplorers Inc. must comply with the Act's provisions, including any conditions specified in the Schedule appended to the Act and adhere to any notifications regarding notified minerals.

If disputes arise requiring legal intervention, they may be addressed by a Special Court designated under the Act.

This scenario illustrates the practical application of the definitions from Section 3 of the Act in the context of a company's progression from exploration to mining of minerals.

CHAPTER II: GENERAL RESTRICTIONS ON UNDERTAKING PROSPECTING AND MINING OPERATIONS

Section 4: Prospecting Or Mining Operations To Be Under Licence Or Lease

(1) No person shall undertake any reconnaissance, prospecting or mining operations in any area, except under and in accordance with the terms and conditions of a reconnaissance permit or of a prospecting licence or, as the case may be, of a mining lease, granted under this Act and the rules made thereunder:

Provided that nothing in this sub-section shall affect any prospecting or mining operations undertaken in any area in accordance with terms and conditions of a prospecting licence or mining lease granted before the commencement of this Act which is in force at such commencement:

Provided further that nothing in this sub-section shall apply to any prospecting operations undertaken by the Geological Survey of India, the Indian Bureau of Mines, the Atomic Minerals Directorate for Exploration and Research of the Department of Atomic Energy of the Central Government, the Directorates of Mining and Geology of any State Government (by whatever name called), and the Mineral Exploration Corporation Limited., a Government company within the meaning of clause (45) of section 2 of the Companies Act, 2013 (18 of 2013), and any other entities including private entities that may be notified for this purpose, subject to such conditions as may be specified by the Central Government:

Provided also that nothing in this sub-section shall apply to any mining lease (whether called mining lease mining concession or by any other name) in force

immediately before the commencement of this Act in the Union territory of Goa, Daman and Diu.

(1A) No person shall transport or store or cause to be transported or stored any mineral otherwise than in accordance with the provisions of this Act and the rules made thereunder.

(2) No mineral concession shall be granted otherwise than in accordance with the provisions of this Act and the rules made thereunder.

(3) Any State Government may, after prior consultation with the Central Government and in accordance with the rule made under section 18, undertake reconnaissance, prospecting or mining operations with respect to any mineral specified in the First Schedule in any area within that State which is not already held under any mineral concession.

Simplified Act

Simplified Explanation:

(1) You can't start looking for, evaluating, or mining minerals in any area unless you have the proper permission, like a reconnaissance permit, a prospecting licence, or a mining lease, given to you under this law and its rules.

However, this rule doesn't change anything for those who already had a prospecting licence or mining lease before this law started, as long as it was still valid when the law came into effect.

Also, this rule doesn't apply to government agencies like the Geological Survey of India, the Indian Bureau of Mines, and others, including certain private entities that the government might name later. They can still do prospecting as long as they follow the conditions set by the Central Government.

Additionally, this rule doesn't affect any existing mining leases in Goa, Daman and Diu, even if they're known by different names, that were in place before this law was introduced.

(1A) You're not allowed to move or store minerals unless you do it according to this law and its rules.

(2) Mineral rights can't be given to anyone unless it's done following this law and its rules.

(3) State Governments can search for, evaluate, or mine minerals in their area for minerals listed in the First Schedule, but only with prior discussion with the Central Government and if the area isn't already covered by an existing mineral right.

Explanation using Example

Imagine a company, XYZ Minerals Pvt. Ltd., wants to explore a particular area for bauxite deposits. According to Section 4(1) of The Mines and Minerals (Development and Regulation) Act, 1957, XYZ Minerals Pvt. Ltd. cannot simply start reconnaissance or prospecting activities in the desired area. They must first obtain a reconnaissance permit or a prospecting licence from the government under the terms and conditions set by this Act and the associated rules.

For instance, if XYZ Minerals Pvt. Ltd. starts surveying the area without a permit, they would be violating the Act, which could result in legal consequences including fines and sanctions. However, if they had already been granted a prospecting licence before this Act commenced, and it's still valid, their operations could continue under the existing terms as per the first proviso of Section 4(1).

If the company were to discover a valuable mineral deposit and decides to transport or store the mineral, they must comply with the provisions of the Act as per Section 4(1A), meaning they need to follow specific rules regarding the transportation and storage of the mineral to avoid penalties.

Finally, XYZ Minerals Pvt. Ltd. must understand that any mineral concession they seek must be granted in accordance with the Act and its rules, as stated in Section 4(2). Should the company fail to adhere to these regulations, their concession could be deemed invalid.

In another scenario, if the State Government where XYZ Minerals Pvt. Ltd. wishes to operate decides to conduct its own reconnaissance, prospecting, or mining operations, it can do so after consulting with the Central Government and following the rules made under section 18, as long as the area is not already under a mineral concession, as explained in Section 4(3).

Section 4A: Termination Of Prospecting Licences Or Mining Leases

Where the Central Government, after consultation with the State Government, is of opinion that it is expedient in the interest of regulation of mines and mineral development, preservation of natural environment, control of floods, prevention of pollution, or to avoid danger to public health or communications or to ensure safety of buildings, monuments or other structures or for conservation of mineral resources or for maintaining safety in the mines or for such other purposes, as the Central Government may deem fit, it may request the State Government to make a premature termination of a prospecting licence or mining lease in respect of any mineral other than a minor mineral in any area or part thereof, and, on receipt of such request, the State Government shall make an order making a premature termination of such prospecting licence or mining lease with respect to the area or any part thereof.

Where the State Government is of opinion that it is expedient in the interest of regulation of mines and mineral development, preservation of natural environment, control of floods, prevention of pollution or to avoid danger to public health or communications or to ensure safety of buildings, monuments or other structures or for such other purposes, as the State Government may deem fit, it may, by an order, in respect of any minor mineral, make premature termination of prospecting licence or mining lease with respect to the area or any part thereof covered by such licence or lease.

No order making a premature termination of a prospecting licence or mining lease shall be made except after giving the holder of the licence or lease a reasonable opportunity of being heard.

Where the holder of a mining lease fails to undertake production and dispatch for a period of two years after the date of execution of the lease or having commenced production and dispatch, has discontinued the same for a period of two years, the lease shall lapse on the expiry of the period of two years from the date of execution of the lease or, as the case may be, discontinuance of the production and dispatch:

Provided that the State Government may, on an application made by the holder of such lease before it lapses and on being satisfied that it shall not be possible for the holder of the lease to undertake production and dispatch or to continue such production and dispatch for reasons beyond his control, make an order, within a period of three months from the date of receipt of such application, to extend the period of two years by a further period not exceeding one year and such extension shall not be granted for more than once during the entire period of lease:

Provided further that such lease shall lapse on failure to undertake production and dispatch or having commenced the production and dispatch fails to continue the same before the end of such extended period.

Simplified Act

Simple Explanation of Termination of Prospecting Licences or Mining Leases

If the Central Government thinks it's necessary for reasons like protecting the environment, preventing floods or pollution, ensuring public health and safety, preserving historical sites, saving mineral resources, or keeping mines safe, it can ask the State Government to end a prospecting licence or mining lease early. This applies to all minerals except for minor ones. Once asked, the State Government must end the licence or lease for the whole area or just part of it.

The State Government can also end a prospecting licence or mining lease for minor minerals early if it believes it's important for similar reasons, such as environmental protection, flood control, pollution prevention, public health, or ensuring safety of structures. They can do this by issuing an order that affects the whole area or just part of it covered by the licence or lease.

Before ending a licence or lease early, the person or company holding it must be given a chance to present their side of the story.

If a mining lease holder doesn't start mining and shipping minerals within two years after signing the lease, or stops doing so for two years, the lease automatically ends after those two years. However, if the lease holder can't start or continue mining for reasons they can't control, they can ask the State Government to give them up to one extra year. This extension can only be granted once during the lease period. If mining and shipping don't start or continue during the extended period, the lease will end.

Explanation using Example

Imagine a company, Green Mining Corp, holds a mining lease for bauxite in the scenic Hillview region. The company has been operating for several years, but recently, local communities have raised concerns about the pollution of nearby rivers, which are crucial for their livelihood. In response to these concerns, the Central Government, after consulting with the State Government, determines that the mining operations are causing significant environmental harm and pose a risk to public health.

Under Section 4A of The Mines and Minerals (Development and Regulation) Act, 1957, the Central Government requests the State Government to terminate Green Mining Corp's mining lease to prevent further pollution and protect the community's health. The State Government issues an order for the premature termination of the lease, but not before giving Green Mining Corp a chance to present their case and be heard. Ultimately, the termination is enforced, prioritizing environmental preservation and public health over the mining operations.

Section 4B: Conditions For Efficiency In Production

Notwithstanding anything contained in section 4A, the Central Government may, in the interest of maintaining sustained production of minerals in the country, prescribe such conditions as may be necessary for commencement and continuation of production by the holders of mining leases who have acquired rights, approvals, clearances and the like under section 8B.

Simplified Act

Simplified Explanation of Section 4B: Requirements for Effective Mining Production

Even though section 4A says something different, the Central Government has the power to set certain conditions to make sure that mining keeps happening efficiently in the country. This applies to people who have mining leases and have already gotten the necessary rights, permissions, and clearances under section 8B to start and keep mining.

Explanation using Example

Imagine a company, XYZ Minerals Ltd., holds a mining lease for extracting iron ore in a particular region. Despite having acquired all necessary rights, approvals, and clearances under section 8B of the Mines and Minerals (Development and Regulation) Act, 1957, they have not started production due to market conditions.

The Central Government, recognizing the importance of continuous mineral supply for the country's development, invokes Section 4B. It mandates XYZ Minerals Ltd. to commence production within a specified timeframe and maintain a certain level of output. The government specifies conditions such as

minimum annual production targets and environmental safeguards to ensure efficient and sustainable mining practices.

XYZ Minerals Ltd. must adhere to these conditions to retain their mining lease and contribute to the country's sustained mineral production.

Section 5: Restrictions On The Grant Of Prospecting Licences Or Mining Leases

(1) A State Government shall not grant a mineral concession to any person unless such person -

is an Indian national, or company as defined in clause (20) of section 2 of the Companies Act, 2013 (18 of 2013); and

satisfies such conditions as may be prescribed:

Provided that in respect of any mineral specified in Part A and Part B of the First Schedule, no reconnaissance permit, prospecting licence or mining lease shall be granted except with the previous approval of the Central Government.

Provided further that the previous approval of the Central Government shall not be required for grant of mineral concession in respect of the minerals specified in Part A of the First Schedule, where,

an allocation order has been issued by the Central Government under section 11A; or

a notification of reservation of area has been issued by the Central Government or the State Government under sub - section (1A) or sub - section (2) of section 17A; or

a vesting order or an allotment order has been issued by the Central Government under the provisions of the Coal Mines (Special Provisions) Act, 2015 (11 of 2015).

Explanation: For the purposes of this sub - section, a person shall be deemed to be an Indian national,

in the case of a firm or other association of individuals, only if all the members of the firm or members of the association are citizens of India; and

in the case of an individual, only if he is a citizen of India.

Provided also that the composite licence or mining lease shall not be granted for an area to any person other than the Government, Government company or corporation, in respect of any minerals specified in Part B of the First Schedule where the grade of such mineral in such area is equal to or above such threshold value as may be notified by the Central Government.

(2) No mining lease shall be granted by the State Government unless it is satisfied that -

there is evidence to show the existence of mineral contents in the area for which the application for a mining lease has been made in accordance with such parameters as may be prescribed for this purpose by the Central Government; and

there is a mining plan duly approved by the Central Government, or by the State Government, in respect of such category of mines as may be specified by the Central Government, for the development of mineral deposits in the area concerned:

Provided that a mining lease may be granted upon the filing of a mining plan in accordance with a system established by the State Government for preparation, certification, and monitoring of such plan, with the approval of the Central Government.

Simplified Act

Simplified Restrictions on Getting Licenses for Mineral Prospecting or Mining

(1) A State Government can only give rights to explore for minerals or mine them to a person if:

That person is an Indian citizen or a company recognized by Indian law; and

They meet certain requirements that are set out by the law.

However, for some minerals listed in important parts of the law (Part A and B of the First Schedule), the Indian central government must agree before any exploration or mining rights are given.

But, central government approval isn't needed if:

The central government has already decided who gets the exploration or mining rights;

The area has been officially marked for mining by the central or state government; or

The central government has issued a special order related to coal mining laws.

Note: A person or group is considered Indian if:

In the case of a partnership or group, every member is an Indian citizen; and

For an individual, they must be an Indian citizen.

Also, only the government or government-recognized companies can get rights to mine areas with high-quality minerals listed in Part B of the First Schedule, as decided by the central government.

(2) A State Government won't allow mining unless it's sure that:

There are minerals in the area as shown by evidence that meets central government standards; and

A proper plan for mining the area has been approved by either the central or state government, depending on the type of mine.

However, a mining lease can be given if there's a mining plan in place that meets the state's system for creating, certifying, and checking these plans, with the central government's approval.

Explanation using Example

Imagine a company, "X-tract Minerals Pvt. Ltd.," wants to explore and mine a particular mineral in the state of Rajasthan. To do so, they need to obtain a prospecting licence or a mining lease from the Rajasthan State Government. Here's how Section 5 of The Mines and Minerals (Development and Regulation) Act, 1957 would apply:

Firstly, the company must be an Indian entity as defined under the Companies Act, 2013, which it is.

Secondly, the company needs to meet certain prescribed conditions which could include environmental regulations, financial commitments, and technical expertise.

If the mineral they wish to mine is listed in Part A or Part B of the First Schedule of the Act, the company would also require prior approval from the Central Government before the State can grant the concession.

However, if the Central Government has already issued an allocation order for the area or the mineral is reserved by a government notification, the prior approval requirement may be waived.

In case the mineral is of a very high grade, as specified in Part B of the First Schedule, the lease can only be granted to a government entity unless otherwise notified by the Central Government.

Before granting a mining lease, the State Government must be convinced of the existence of the mineral in the area through evidence and that the company has an approved mining plan for the development of the mine.

In this scenario, "X-tract Minerals Pvt. Ltd." must comply with the above provisions to successfully acquire the necessary permissions to begin their mining operations in Rajasthan.

Section 6: Maximum Area For Which A Prospecting Licence Or Mining Lease May Be Granted

(1) No person shall acquire in respect of any mineral or prescribed group of associated minerals in a State -

(a) one or more prospecting licences covering a total area of more than twenty-five square kilometres; or

(aa) one or more reconnaissance permit covering a total area of ten thousand square kilometres : Provided that the area granted under a single reconnaissance permit shall not exceed five thousand square kilometers; or

(b) one or more mining leases covering a total area of more than ten square kilometres : 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 reasons to be recorded in writing, increase the aforesaid area limits in respect of prospecting licence or mining lease, in so far as it pertains to any particular mineral, or to any specified category of deposits of such mineral, or to any particular mineral located in any particular area.

(c) any reconnaissance permit, mining lease or prospecting licence in respect of any area which is not compact or contiguous : Provided that if the State Government is of opinion that in the interests of the development of any mineral, it is necessary so to do, it may, for reasons to be recorded in writing,

permit any person to acquire a mineral concession in relation to any area which is not compact or contiguous.

(2) For the purposes of this section, a person acquiring by, or in the name of, another person a mineral concession 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 a mineral concession by a person as a member of a co-operative society, company or other corporation or a Hindu undivided family or a partner of a firm, shall be deducted from the area referred to in subsection (1) so that the sum total of the area held by such person, under a mineral concession, whether as such member or partner, or individually, may not, in any case, exceed the total area specified in subsection (1).

Simplified Act

1. A person is not allowed to hold, in any state:

a) Prospecting licenses for minerals that cover more than 25 square kilometers in total.

aa) Reconnaissance permits for searching minerals that cover more than 10,000 square kilometers in total, but no single permit should cover more than 5,000 square kilometers.

b) Mining leases that cover more than 10 square kilometers in total. However, the Central Government can allow larger areas if it believes it's necessary for the mineral's development or industry, but they must explain their reasons in writing.

c) Any permits or licenses for areas that are not next to each other. But if the State Government thinks it's necessary for the development of a mineral, they can allow it, as long as they provide written reasons.

2. If you get a mineral right for someone else but it's really for you, it's considered as if you got it for yourself.

3. When calculating the total area a person can hold under these mineral rights, any area they hold as part of a group like a company or family will count towards their individual limit. This ensures that no person holds more area than allowed, regardless of how the area is held.

Explanation using Example

Imagine a company, "XYZ Minerals Ltd.," is interested in exploring and mining a particular mineral in the state of Rajasthan. Under Section 6 of The Mines and Minerals (Development and Regulation) Act, 1957, the following scenario unfolds:

The company applies for several prospecting licences to explore the mineral potential in the area. However, they must ensure that the total area covered by these licences does not exceed twenty-five square kilometres. If they wish to cover a larger area, they would need to seek special permission from the Central Government, which must provide a written reason for any increase in the area limit.

XYZ Minerals Ltd. also considers applying for a reconnaissance permit to identify mineral deposits. The law restricts them to a total area of ten thousand square kilometres for all permits, with no single permit exceeding five thousand square kilometres.

When it comes to acquiring mining leases, the company is limited to a total area of ten square kilometres. If they find that their project requires more space for optimal mining operations, the company would need to request an exception from the Central Government, which would need to justify the increase in writing.

The company must also ensure that any area for which they obtain a mining lease, prospecting licence, or reconnaissance permit is compact and contiguous unless the State Government grants specific approval for non-contiguous areas, recording the justification in writing.

If one of the directors of XYZ Minerals Ltd. tries to acquire additional mineral concessions in his own name, intending for them to benefit the company, Section 6(2) would consider these concessions as being acquired by the company itself, thus counting towards the company's total allowable area.

Furthermore, if any director of the company is also part of a cooperative society or a family business that holds mineral concessions, these areas must be considered in the total area calculation for XYZ Minerals Ltd. to ensure the sum total of all areas held does not exceed the prescribed limits.

This section of the Act is designed to prevent any single entity from monopolizing the mining rights over a large area and to promote fair competition and equitable distribution of mineral resources.

Section 7: Periods For Which Prospecting Licences May Be Granted Or Renewed

The period for which a reconnaissance permit or prospecting licence may be granted shall not exceed three years.

A prospecting licence shall, if the State Government is satisfied that a longer period is required to enable the licensee to complete prospecting operations be renewed for such period or periods as that Government may specify:

Provided that the total period for which a prospecting licence is granted does not exceed five years:

Provided further that no prospecting licence granted in respect of a mineral included in Part A and Part B to the First Schedule shall be renewed except with the previous approval of the Central Government.

Simplified Act

Simplified Explanation of Section 7: Duration for Granting or Renewing Prospecting Licenses

The maximum time a permit for initial exploration or a prospecting license can be given is three years.

If the state authorities believe more time is needed to finish the exploration work, they can renew a prospecting license for additional periods they choose:

However, the combined total time a prospecting license can be active, including renewals, can't be more than five years.

Also, any renewal of a prospecting license for minerals listed in Part A and Part B of the First Schedule requires the central government's prior approval.

Explanation using Example

Imagine a company, XYZ Minerals Pvt. Ltd., is interested in exploring a particular area for bauxite deposits. They apply to the State Government for a prospecting licence, which is granted for an initial period of two years. As the exploration project is complex and the terrain is difficult, XYZ Minerals Pvt. Ltd. realizes that they need more time to complete their prospecting operations.

Before the initial licence expires, the company applies for a renewal, providing a detailed report on their work so far and the reasons why additional time is necessary. The State Government reviews the application and is satisfied with

the progress and the justification provided. Consequently, the government renews the prospecting licence for an additional two years, ensuring that the total period does not exceed five years as per the law.

In this scenario, the application of Section 7 of The Mines and Minerals (Development and Regulation) Act, 1957, is evident as it governs the duration for which the prospecting licence is granted and the conditions under which it can be renewed.

Section 8: Periods For Which Mining Leases May Be Granted Or Renewed

The provisions of this section shall apply to minerals specified in Part A of the First Schedule.

The maximum period for which a mining lease may be granted shall not exceed thirty years:

Provided that the minimum period for which any such mining lease may be granted shall not be less than twenty years.

A mining lease may be renewed for a period not exceeding twenty years with the previous approval of the Central Government.

Notwithstanding anything contained in this section, in case of Government companies or corporations, the period of mining leases including the existing mining leases, shall be such as may be prescribed by the Central Government:

Provided that the period of mining leases, other than the mining leases granted through auction, shall be extended on payment of such additional amount as specified in the Fifth Schedule:

Provided further that the Central Government may, by notification in the Official Gazette and for reasons to be recorded in writing, amend the Fifth Schedule so as to modify the entries mentioned therein in the said Schedule with effect from such date as may be specified in the said notification.

Any lessee may, where coal or lignite is used for captive purpose, sell such coal or lignite up to fifty per cent. of the total coal or lignite produced in a year after meeting the requirement of the end use plant linked with the mine in such manner as may be prescribed by the Central Government and on payment of such additional amount as specified in the Sixth Schedule:

Provided that the Central Government may, by notification in the Official Gazette and for the reasons to be recorded in writing, increase the said percentage of coal or lignite that may be sold by a Government company or corporation:

Provided further that the sale of coal shall not be allowed from the coal mines allotted to a company or corporation that has been awarded a power project on the basis of competitive bid for tariff (including Ultra Mega Power Projects):

Provided also that the Central Government may, by notification in the Official Gazette and for reasons to be recorded in writing, amend the Sixth Schedule so as to modify the entries mentioned therein with effect from such date as may be specified in the said notification.

Simplified Act

Simplified Explanation of Mining Lease Durations

This rule is for specific minerals listed in a certain part of the law's schedule.

A mining lease can be given for up to 30 years but not less than 20 years.

You can renew a mining lease for another 20 years if the central government agrees.

For government-owned companies, the lease period can be different as decided by the central government:

Leases not won by auction can be extended if additional fees are paid as listed in another part of the law.

The central government can change these fees by announcing it officially and explaining why.

If you use coal or lignite for your own needs, you can sell up to 50% of what you produce after your own use is met, but you have to follow government rules and pay extra fees:

The government can let government companies sell more than this limit if they explain why officially.

However, companies that got a power project by offering the lowest price for electricity, including very large power projects, cannot sell coal.

The government can change the fees for selling coal or lignite by announcing it officially and explaining why.

Explanation using Example

Imagine a company, RockSolid Mining Inc., has discovered a significant deposit of bauxite, which is listed in Part A of the First Schedule of the Mines and Minerals (Development and Regulation) Act, 1957. They apply for a mining lease to extract this mineral. According to Section 8 of the Act, the lease they're granted can be for a maximum of thirty years but not less than twenty years, ensuring they have ample time to extract the mineral resources efficiently.

After two decades, RockSolid Mining Inc. finds that the bauxite deposit is still abundant and wishes to continue their operations. They apply for a renewal of their mining lease. In line with the Act, they can get a renewal for up to twenty years, but they need the Central Government's approval to do so.

During their operations, if RockSolid Mining Inc. uses coal or lignite for their own power generation (captive purpose), the Act allows them to sell up to 50% of the total coal or lignite they produce in a year, after fulfilling their own power plant's needs. This sale is subject to certain conditions and additional payments as specified in the Sixth Schedule of the Act, and these terms can be modified by the Central Government if needed.

Section 8A: Period Of Grant Of A Mining Lease For Minerals Other Than Coal, Lignite And Atomic Minerals

(1) The provisions of this section shall apply to minerals other than those specified in Part A and Part B of the First Schedule.

(2) On and from the date of the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (10 of 2015), all mining leases shall be granted for the period of fifty years.

(3) All mining leases granted before the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (10 of 2015) shall be deemed to have been granted for a period of fifty years.

(4) On the expiry of the lease period, the lease shall be put up for auction as per the procedure specified in this Act. Provided that nothing contained in this

section shall prevent the State Governments from taking an advance action for auction of the mining lease before the expiry of the lease period.

(5) Notwithstanding anything contained in sub-sections (2), (3) and sub-section (4), the period of lease granted before the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (10 of 2015), where mineral is used for captive purpose, shall be extended and be deemed to have been extended up to a period ending on the 31st March, 2030 with effect from the date of expiry of the period of renewal last made or till the completion of renewal period, if any, or a period of fifty years from the date of grant of such lease, whichever is later, subject to the condition that all the terms and conditions of the lease have been complied with.

(6) Notwithstanding anything contained in sub-sections (2), (3) and sub-section (4), the period of lease granted before the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (10 of 2015), where mineral is used for other than captive purpose, shall be extended and be deemed to have been extended up to a period ending on the 31st March, 2020 with effect from the date of expiry of the period of renewal last made or till the completion of renewal period, if any, or a period of fifty years from the date of grant of such lease, whichever is later, subject to the condition that all the terms and conditions of the lease have been complied with.

(7) Any holder of a lease granted, where mineral is used for captive purpose, shall have the right of first refusal at the time of auction held for such lease after the expiry of the lease period.

(7A) Any lessee may, where mineral is used for captive purpose, sell mineral up to fifty per cent. of the total mineral produced in a year after meeting the requirement of the end use plant linked with the mine in such manner as may be prescribed by the Central Government and on payment of such additional amount as specified in the Sixth Schedule: Provided that the Central Government may, by notification in the Official Gazette and for the reasons to be recorded in writing, increase the said percentage of mineral that may be sold by a Government company or corporation: Provided further that the Central Government may, by notification in the Official Gazette and for reasons to be recorded in writing, amend the Sixth Schedule so as to modify the entries mentioned therein with effect from such date as may be specified in the said notification.

(8) Notwithstanding anything contained in this section, the period of mining leases, including existing mining leases, of Government companies or

corporations shall be such as may be prescribed by the Central Government. Provided that the period of mining leases, other than the mining leases granted through auction, shall be extended on payment of such additional amount as specified in the Fifth Schedule: Provided further that the Central Government may, by notification in the Official Gazette and for reasons to be recorded in writing, amend the Fifth Schedule so as to modify the entries mentioned therein with effect from such date as may be specified in the said notification.

Explanation: For the removal of doubts, it is hereby clarified that all such Government companies or corporations whose mining lease has been extended after the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (10 of 2015), shall also pay such additional amount as specified in the Fifth Schedule for the mineral produced after the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2021.

(9) The provisions of this section, notwithstanding anything contained therein, shall not apply to a mining lease granted before the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (10 of 2015), for which renewal has been rejected, or which has been determined, or lapsed.

Simplified Act

Simplified Explanation of Section 8A - Mining Lease Duration and Terms

(1) This section is about the time period for which mining leases can be granted, but it does not cover coal, lignite, and atomic minerals, which are listed in Part A and Part B of the First Schedule of the Act.

(2) From the time the 2015 Amendment Act started, all new mining leases will last for 50 years.

(3) Any mining leases given out before the 2015 Amendment Act are now also considered to last for 50 years.

(4) After a mining lease expires, it must be auctioned off according to the rules in this Act. However, state governments can start the auction process before the lease ends if they choose to.

(5) If a mining lease was granted before the 2015 Amendment Act and the minerals are used by the leaseholder's own business (captive purpose), the lease is automatically extended to March 31, 2030, or 50 years from when the

lease was first given, whichever is later. This is only if the leaseholder has followed all the lease terms and conditions.

(6) Similarly, if the lease was for non-captive use, it's extended to March 31, 2020, or 50 years from the start of the lease, whichever is later, provided all lease terms and conditions have been met.

(7) Leaseholders using minerals for their own business have the first chance to bid when their lease is up for auction after it ends.

(7A) Leaseholders using minerals for their own business can sell up to 50% of their yearly mineral production after meeting their own needs. This is done as per rules set by the Central Government and involves paying an additional fee. The Central Government can change this percentage for government companies or modify the fee schedule if needed, but they must explain their reasons in an official notice.

(8) The Central Government decides the lease period for government companies or corporations, including existing leases. Leases not obtained through auction can be extended if an additional fee is paid. The Central Government can also change the fee schedule with a notice explaining the reasons.

It is made clear that government companies or corporations with extended leases after the 2015 Amendment Act must pay an additional fee for minerals produced after the 2021 Amendment Act.

(9) None of these rules apply to leases that were not renewed, ended, or expired before the 2015 Amendment Act began.

Explanation using Example

Imagine a company, "XYZ Minerals Pvt. Ltd.," which holds a mining lease for a non-coal and non-atomic mineral in the state of Rajasthan. The lease was originally granted on January 1, 2000, for a period of 20 years. With the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, their existing lease is deemed to have been extended to a period of 50 years from the original grant date, effectively until December 31, 2049.

As the lease period approaches its end, XYZ Minerals Pvt. Ltd. is aware that they cannot simply renew their lease. Instead, the lease will be put up for auction as specified by the Act. However, since they use the mineral for captive purposes (meaning it's used for their own manufacturing and not sold

externally), they have the right of first refusal in the auction after the lease expires.

Furthermore, XYZ Minerals Pvt. Ltd. has been operating efficiently and in compliance with all lease conditions. The company plans to sell up to 50% of their annual mineral production, as they have excess after meeting their own manufacturing needs. They will do so in accordance with the rules set by the Central Government, paying any additional amounts specified.

This scenario demonstrates how Section 8A of The Mines and Minerals (Development and Regulation) Act, 1957, affects the duration of mining leases and the rights and obligations of leaseholders in India.

Section 8B: Provisions For Transfer Of Statutory Clearances

(1) Notwithstanding anything contained in this Act or any other law for the time being in force, all valid rights, approvals, clearances, licences and the like granted to a lessee in respect of a mine (other than those granted under the provisions of the Atomic Energy Act, 1962 (33 of 1962) and the rules made thereunder) shall continue to be valid even after expiry or termination of lease and such rights, approvals, clearances, licences and the like shall be transferred to, and vested; subject to the conditions provided under such laws; in the successful bidder of the mining lease selected through auction under this Act:

Provided that where on the expiry of such lease period, mining lease has not been executed pursuant to an auction under provisions of sub-section (4) of section 8A, or lease executed pursuant to such auction has been terminated within a period of one year from such auction, the State Government may, with the previous approval of the Central Government, grant lease to a Government company or corporation for a period not exceeding ten years or till selection of new lessee through auction, whichever is earlier and such Government company or corporation shall be deemed to have acquired all valid rights, approvals, clearances, licences and the like vested with the previous lessee:

Provided further that the provisions of sub-section (1) of section 6 shall not apply where such mining lease is granted to a Government company or corporation under the first proviso:

Provided also that in case of atomic minerals having grade equal to or above the threshold value, all valid rights, approvals, clearances, licences and the like

in respect of expired or terminated mining leases shall be deemed to have been transferred to, and vested in the Government company or corporation that has been subsequently granted the mining lease for the said mine.

(2) Notwithstanding anything contained in any other law for the time being in force, it shall be lawful for the new lessee to continue mining operations on the land till expiry or termination of mining lease granted to it, in which mining operations were being carried out by the previous lessee.

Simplified Act

Simplified Explanation of Section 8B: Rules for Transfer of Mining Rights and Clearances

(1) Despite what is stated in this law or any other current laws, all the official permissions, licenses, and similar rights given to a mining lease holder remain valid even if the lease ends or is canceled. These rights will be passed on to the new lease holder who wins the auction for the mining lease, with the condition that they follow the same laws that applied to the previous lease holder. This does not include rights under the Atomic Energy Act, 1962.

If the lease ends and a new auction hasn't been held or if a new lease from an auction is canceled within a year, the state government can, with permission from the central government, temporarily give the lease to a government-owned company for up to ten years or until a new lease holder is chosen through auction, whichever comes first. This government company will then have all the rights the previous lease holder had.

This temporary arrangement doesn't require the usual application process if the lease is given to a government company.

If the mine has important atomic minerals and the lease ends or is canceled, all the rights will automatically go to the government company that gets the new lease for that mine.

(2) Regardless of other laws, the new lease holder can keep mining on the land using the previous lease holder's permissions until their own lease ends or is canceled.

Explanation using Example

Imagine a company, 'XYZ Mining Corp.', which holds a mining lease for an iron ore mine in a state. The lease is set to expire in December 2023. XYZ Mining

Corp. has obtained various statutory clearances, such as environmental approvals and licenses to operate the mine.

As the lease expiration approaches, the state government initiates an auction to grant a new mining lease for the site. 'ABC Metals Ltd.' emerges as the successful bidder in the auction. According to Section 8B of The Mines and Minerals (Development and Regulation) Act, 1957, all of XYZ Mining Corp.'s valid rights, approvals, clearances, and licenses will automatically transfer to ABC Metals Ltd. This means ABC Metals Ltd. can continue mining operations without having to reapply for those clearances, ensuring a seamless transition and uninterrupted mining activities.

In another scenario, if the auction does not take place before the lease expires, the state government, with the Central Government's approval, may temporarily grant the lease to a state-owned company. This company would inherit all the statutory clearances from XYZ Mining Corp. and can operate the mine for up to ten years or until a new lessee is selected through auction, whichever is earlier.

Furthermore, if the mine in question had been one for atomic minerals of a certain grade, then upon lease expiry, all the clearances would be deemed transferred to the government entity that is granted the subsequent lease.

Section 9: Royalties In Respect Of Mining Leases

(1) The holder of a mining lease granted before the commencement of this Act shall, notwithstanding anything contained in the instrument of lease or in any law in force at such commencement, pay royalty in respect of any mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee from the leased area after such commencement, at the rate for the time being specified in the Second Schedule in respect of that mineral.

(2) The holder of a mining lease granted on or after the commencement of this Act shall pay royalty in respect of any mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee from the leased area at the rate for the time being specified in the Second Schedule in respect of that mineral.

(2A) The holder of a mining lease, whether granted before or after the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972 (56 of 1972) shall not be liable to pay any royalty in

respect of any coal consumed by a workman engaged in a colliery provided that such consumption by the workman does not exceed one-third of a tonne per month.

(3) The Central Government may, by notification in the Official Gazette, amend the Second Schedule so as to enhance or reduce the rate at which royalty shall be payable in respect of any mineral with effect from such date as may be specified in the notification: Provided that the Central Government shall not enhance the rate of royalty in respect of any mineral more than once during any period of three years.

Simplified Act

Explanation 1: If you had a mining lease before this law was put into place, you must pay a fee (called a royalty) for any minerals you take or use from the mining area. This fee is set by a list called the Second Schedule, and you have to pay regardless of what your lease or other laws said before.

Explanation 2: If your mining lease was granted when this law was already in effect, you also have to pay a royalty for any minerals you remove or use. The fee you pay is the one listed in the Second Schedule for that specific mineral.

Explanation 2A: No matter when you got your mining lease, you don't have to pay a royalty for coal used by workers in the mine as long as they don't use more than one-third of a tonne each month.

Explanation 3: The Central Government can change the royalty fees listed in the Second Schedule by announcing it in an official publication called the Official Gazette. They can increase or decrease these fees starting from a date they choose. However, they can't raise the fees for any mineral more than once every three years.

Explanation using Example

Imagine a company, XYZ Mining Corp., that holds a mining lease for extracting iron ore in a particular state in India. The lease was granted to them before the Mines and Minerals (Development and Regulation) Act, 1957 came into effect. According to Section 9(1) of the Act, despite the terms of their original lease agreement or any previous laws, XYZ Mining Corp. is now obligated to pay a royalty for any iron ore they extract after the Act's commencement. The royalty rate they must pay is as per the current rates listed in the Second Schedule of the Act.

In another scenario, a new company, ABC Metals Ltd., received their mining lease after the Act was already in force. Under Section 9(2), ABC Metals Ltd. is required to pay royalty at the rates specified in the Second Schedule for any minerals, like copper, that they remove or consume from their leased area.

Additionally, if XYZ Mining Corp. provides coal to their workers as part of their compensation, and if a worker uses less than one-third of a tonne per month, Section 9(2A) states that XYZ Mining Corp. would not have to pay any royalty on the coal consumed by that worker.

Lastly, the Central Government decides to incentivize the production of a rare mineral, say lithium, used in batteries. They issue a notification to reduce the royalty rate for lithium as per Section 9(3). This reduction will take effect from the date specified in the notification, and it will apply to all mining lease holders, including XYZ Mining Corp. and ABC Metals Ltd., should they extract lithium.

Section 9A: Dead Rent To Be Paid By The Lessee

The holder of a mining lease, whether granted before or after the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972, shall notwithstanding anything contained in the instrument of lease or in any other law for the time being in force, pay to the State Government, every year, dead rent at such rate, as may be specified, for the time being, in the Third Schedule, for all the areas included in the instrument of lease:

Provided that where the holder of such mining lease becomes liable, under section 9, to pay royalty for any mineral removed or consumed by him or by his agent, manager, employee, contractor or sublessee from the leased area, he shall be liable to pay either such royalty, or the dead rent in respect of that area, whichever is greater.

The Central Government may, by notification in the Official Gazette, amend the Third Schedule so as to enhance or reduce the rate at which the dead rent shall be payable in respect of any area covered by a mining lease and such enhancement or reduction shall take effect from such date as may be specified in the notification:

Provided that the Central Government shall not enhance the rate of the dead rent in respect of any such area more than once during any period of three years.

Simplified Act

Simplified Explanation of Dead Rent Payments for Mining Leases

If you have a mining lease (an official agreement to mine an area), you must pay the state government a fixed fee every year called "dead rent." This fee is set out in the Third Schedule of the law, and you have to pay it regardless of what your lease agreement says or what other laws might say. However, if you're already paying a royalty (a share of the value of the minerals you mine) that's more than the dead rent, then you just pay the higher amount, which is the royalty.

The central government can change the dead rent rate by sending out a notice in the Official Gazette (a public journal that announces new laws and changes). They can either increase or decrease the rate, and the change will start from the date mentioned in the notice. But, they can't raise the dead rent more than once every three years for any given area.

Explanation using Example

Imagine a company, XYZ Mining Corp, holds a mining lease for an area rich in bauxite. According to Section 9A of The Mines and Minerals (Development and Regulation) Act, 1957, XYZ Mining Corp is required to pay an annual dead rent to the State Government. The rate of this dead rent is specified in the Third Schedule of the Act.

In a year when the company's mining operations are extensive, and they extract a significant amount of bauxite, they are liable to pay royalty on the mineral they have removed. If the royalty amount exceeds the dead rent for that year, XYZ Mining Corp will pay the higher amount, which is the royalty, as per the law.

However, if in the following year, the company's extraction levels drop due to market conditions, and the royalty due on the lesser amount of bauxite extracted is lower than the dead rent, the company must then pay the dead rent, which is the greater amount in this scenario.

Additionally, if the Central Government decides to amend the Third Schedule to change the rate of dead rent, they will issue a notification, and the revised

rates will apply from the specified date. However, the company can be assured that such an enhancement in the rate of dead rent will not occur more than once in a three-year period.

Section 9B: District Mineral Foundation

In any district affected by mining related operations, the State Government shall, by notification, establish a trust, as a non-profit body, to be called the District Mineral Foundation.

The object of the District Mineral Foundation shall be to work for the interest and benefit of persons, and areas affected by mining related operations in such manner as may be prescribed by the State Government.

The composition and functions of the District Mineral Foundation shall be such as may be prescribed by the State Government. Provided that the Central Government may give directions regarding composition and utilisation of fund by the District Mineral Foundation.

The State Government while making rules under sub-sections (2) and (3) shall be guided by the provisions contained in article 244 read with Fifth and Sixth Schedules to the Constitution relating to administration of the Scheduled Areas and Tribal Areas and the Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 (40 of 1996) and the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (2 of 2007).

The holder of a mining lease or a composite licence granted on or after the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, other than those covered under the provisions of sub-section (2) of section 10A, shall, in addition to the royalty, pay to the District Mineral Foundation of the district in which the mining operations are carried on, an amount which is equivalent to such percentage of the royalty paid in terms of the Second Schedule, not exceeding one-third of such royalty, as may be prescribed by the Central Government.

The holder of a mining lease granted before the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 other than those covered under the provisions of sub-section (2) of section 10A, shall, in addition to the royalty, pay to the District Mineral Foundation of the district in which the mining operations are carried on, an amount not exceeding the royalty paid in terms of the Second Schedule in such manner and subject to

the categorisation of the mining leases and the amounts payable by the various categories of lease holders, as may be prescribed by the Central Government.

Simplified Act

Simplified Explanation of Section 9B of The Mines and Minerals (Development and Regulation) Act, 1957

If mining activities are happening in a district, the State Government must create a non-profit organization called the District Mineral Foundation to support the community.

This organization's goal is to help people and areas that are affected by mining. The State Government will provide specific instructions on how to do this.

The State Government will decide who is part of the organization and what it does. However, the Central Government can also give instructions about its structure and how it uses its funds.

When making rules for this organization, the State Government must consider the laws that protect the rights of indigenous people and manage areas where they live.

Companies that start mining after the 2015 amendment to this law must pay a part of their earnings (up to one-third of the royalty fees) to the District Mineral Foundation, in addition to the regular fees they pay for mining rights.

Companies that had mining rights before the 2015 amendment must also pay the District Mineral Foundation, but the amount and method will be decided by the Central Government and will be based on the size and type of the mining operation.

Explanation using Example

Imagine a scenario where a company, "X-Mining Corp.", has been granted a mining lease in the district of "GreenValley", which is known for its rich mineral deposits. As per Section 9B of The Mines and Minerals (Development and Regulation) Act, 1957:

The State Government, recognizing the impact of mining activities on the local community and environment, establishes the "GreenValley District Mineral Foundation" (GDMF) as a trust to support the affected areas.

GDMF's objective is to manage funds for the development of infrastructure, healthcare facilities, and educational programs for the communities living in the mining-affected areas of GreenValley.

Following the prescribed rules, X-Mining Corp., which was granted a lease after the 2015 amendment, contributes an amount equivalent to a specified percentage of the royalty they pay for mining, to the GDMF.

These contributions are then utilized by GDMF to build a new school and a hospital in the region, and to repair roads damaged by mining trucks, directly benefiting the residents of GreenValley.

This example illustrates how Section 9B facilitates the creation of a fund to ensure that mining companies invest in the welfare of the districts where they operate, thereby providing a mechanism for sustainable development in mining-affected areas.

Section 9C: National Mineral Exploration Trust

The Central Government shall, by notification, establish a Trust, as a non-profit autonomous body, to be called the National Mineral Exploration Trust.

The object of the Trust shall be to use the funds accrued to the Trust for the purposes of regional and detailed exploration in such manner as may be prescribed by the Central Government.

The composition and functions of the Trust shall be such as may be prescribed by the Central Government.

The holder of a mining lease or a mineral concession shall pay to the Trust, a sum equivalent to two per cent. of the royalty paid in terms of the Second Schedule, in such manner as may be prescribed by the Central Government.

The entities specified and notified under sub-section (1) of section 4 shall be eligible for funding under the National Mineral Exploration Trust.

Simplified Act

Simplified Explanation of Section 9C National Mineral Exploration Trust

The Indian government will create a non-profit organization called the National Mineral Exploration Trust.

This Trust's job is to manage the money it receives to support both broad area and detailed mineral exploration projects as directed by the government.

The government will decide who is part of the Trust and what their responsibilities are.

Companies that have the rights to mine or hold mineral concessions must give the Trust an amount equal to 2% of the royalty they pay as per the rules set out in the Second Schedule.

Certain groups or businesses, as announced under a specific section of this law, will be able to get financial support from the Trust.

Explanation using Example

Imagine a company called "RockSolid Minerals Pvt. Ltd." that holds a mining lease for extracting iron ore in a state in India. As per the Mines and Minerals (Development and Regulation) Act, 1957, Section 9C, the Central Government has established the National Mineral Exploration Trust (NMET).

RockSolid Minerals Pvt. Ltd. is required to contribute to NMET. They must calculate 2% of the royalty they pay to the government under the Second Schedule for their mining operations. This amount is then paid to NMET. The funds collected by NMET are used to finance regional and detailed exploration projects, aiming to uncover new mineral deposits in different parts of the country.

In this scenario, RockSolid Minerals Pvt. Ltd.'s contribution helps in the discovery of a new bauxite deposit in a neighboring state, which was identified through an exploration project funded by NMET. This could potentially lead to new mining opportunities and contribute to the country's mineral resource development.

CHAPTER III: PROCEDURE FOR OBTAINING, PROSPECTING LICENCES OR MINING LEASES IN RESPECT OF LAND IN WHICH THE MINERALS VEST IN THE GOVERNMENT

Section 10: Application For Prospecting Licences Or Mining Leases

(1) An application for a mineral concession in respect of any land in which the minerals vest in the Government shall be made to the State Government concerned in the prescribed form and shall be accompanied by the prescribed fee.

(2) Where an application is received under sub-section (1), there shall be sent to the applicant an acknowledgment of its receipt within the prescribed time and in the prescribed form.

(3) On receipt of an application under this section, the State Government may, having regard to the provisions of this Act and any rules made thereunder, grant or refuse to grant the permit, licence or lease.

(4) Notwithstanding anything contained in this section, no person shall be eligible to make an application under this section unless -

(a) he has been selected in accordance with the procedure specified under sections 10B, 11, 11A or the rules made under section 11B;

(b) he has been selected under the Coal Mines (Special) Provisions Act, 2015 (11 of 2015); or

(c) an area has been reserved in his favour under section 17A.

Simplified Act

Simplified Explanation:

(1) If you want to get permission to mine minerals on land owned by the government, you need to fill out the official application form, pay the required fee, and submit it to the government of the state where the land is located.

(2) After you submit your application, the government will send you a confirmation that they received it. This confirmation will be sent within a certain time frame and will follow a specific format.

(3) The state government will then look over your application. They'll consider the mining law and any related rules before deciding whether to grant you the mining rights (permit, license, or lease).

(4) However, you can't even apply for mining rights unless one of the following is true:

(a) You've been chosen through a specific process outlined in other parts of the mining law.

(b) You've been selected according to the Coal Mines (Special) Provisions Act of 2015.

(c) The government has set aside a specific area for you to mine.

Explanation using Example

Imagine a company, "RockMining Corp.," that wishes to extract iron ore from a particular area. The land is owned by the government and is known to be rich in minerals. To legally obtain the rights to mine, RockMining Corp. must apply for a mineral concession. They fill out the required form, pay the necessary fee, and submit their application to the State Government.

The State Government, in turn, acknowledges receipt of the application by sending an acknowledgment to RockMining Corp. within the timeframe and in the form that the regulations stipulate.

After reviewing the application, the State Government considers the provisions of The Mines and Minerals (Development and Regulation) Act, 1957, and the rules made under it. Based on this, the government may either grant RockMining Corp. a mining lease, or refuse the application if it does not meet the necessary criteria.

However, before RockMining Corp. could even apply, they had to ensure they were eligible. They became eligible because they won a bid for mining rights in a transparent auction process as specified under section 10B of the Act. This made them a selected bidder in accordance with the law, thus meeting the eligibility criteria under subsection (4)(a) for applying for the mineral concession.

Section 10A: Rights Of Existing Concession Holders And Applicants

(1) All applications received prior to the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, shall become ineligible.

(2) Without prejudice to sub-section (1), the following shall remain eligible on and from the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015:

applications received under section 11A of this Act;

where before the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 a reconnaissance permit or prospecting licence has been granted in respect of any land for any mineral, the permit holder or the licensee shall have a right for obtaining a prospecting licence followed by a mining lease, or a mining lease, as the case may be, in respect of that mineral in that land, if the State Government is satisfied that the permit holder or the licensee, as the case may be,

has undertaken reconnaissance operations or prospecting operations, as the case may be, to establish the existence of mineral contents in such land in accordance with such parameters as may be prescribed by the Central Government;

has not committed any breach of the terms and conditions of the reconnaissance permit or the prospecting licence;

has not become ineligible under the provisions of this Act; and

has not failed to apply for grant of prospecting licence or mining lease, as the case may be, within a period of three months after the expiry of reconnaissance permit or prospecting licence, as the case may be, or within such further period not exceeding six months as may be extended by the State Government;

Provided that for the cases covered under this clause including the pending cases, the right to obtain a prospecting licence followed by a mining lease or a mining lease, as the case may be, shall lapse on the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015: Provided further that the holder of a reconnaissance permit or prospecting licence whose rights lapsed under the first proviso, shall be reimbursed the expenditure incurred towards reconnaissance or prospecting operations in such manner as may be prescribed by the Central Government.

where the Central Government has communicated previous approval as required under sub-section (1) of section 5 for grant of a mining lease, or if a letter of intent (by whatever name called) has been issued by the State Government to grant a mining lease, before the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, the mining lease shall be granted subject to fulfilment of the conditions of the previous approval or of the letter of intent within a period of two years from the date of commencement of the said Act: Provided that in respect of any mineral specified in the First Schedule, no prospecting licence or mining lease shall be

granted under clause (b) of this subsection except with the previous approval of the Central Government.

in cases where right to obtain licence or lease has lapsed under, clauses (b) and (c), such areas shall be put up for auction as per the provisions of this Act. Provided that in respect of the minerals specified in Part B of the First Schedule where the grade of atomic mineral is equal to or greater than the threshold value, the mineral concession for such areas shall be granted in accordance with the rules made under section 11B.

Simplified Act

10A Rights of existing concession holders and applicants

(1) If you applied for a mining-related permit before the Mines and Minerals (Development and Regulation) Amendment Act of 2015 started, your application is no longer valid.

(2) Even though the old applications are invalid, the following will still be considered after the 2015 Amendment Act started:

Applications submitted under section 11A of this Act.

If you held a reconnaissance (exploration) permit or prospecting (searching) license before 2015 for a certain area and mineral, you can still get a prospecting license and then a mining lease, or just a mining lease, for that mineral in that area. This is only if the State Government agrees that you:

Did the required exploration work to prove that the mineral is there.

Followed all the rules of your permit or license.

Are still eligible under the Act's rules.

Applied for the new license or lease within three months after your old permit or license expired (or within an extended period of up to six more months granted by the State Government).

However, if you fall under this category, including if your case was still undecided, your right to get these licenses or leases ended when the 2021 Amendment Act began. If your rights ended this way, the government will pay you back for the money you spent on exploration, as decided by the Central Government.

If the Central Government said it was okay to give you a mining lease before 2015, or if the State Government promised to give you one, you must meet all the conditions they set within two years of the 2015 Act starting. If the mineral you want to mine is listed in the First Schedule of the Act, you need the Central Government's approval to get the license or lease under this point.

If your right to get a license or lease has ended under points (b) or (c), the area you wanted to mine will be auctioned off according to the Act's rules. For certain high-grade atomic minerals listed in Part B of the First Schedule, the mining rights will be given out based on specific rules made under section 11B of the Act.

Explanation using Example

Imagine a company, "ABC Mining Corp.", that had applied for a mining lease before the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015. After the amendment came into effect, their application became ineligible under Section 10A(1) of the Act, meaning they could no longer obtain the mining lease based on their previous application.

However, "ABC Mining Corp." had also been granted a reconnaissance permit before the amendment. According to Section 10A(2)(b), they would be eligible to apply for a prospecting licence followed by a mining lease, provided they meet certain conditions, such as demonstrating the existence of mineral contents and adhering to the terms of their permit. If they fail to apply within the specified time after their permit expires, their right to the licence would lapse.

Additionally, if "ABC Mining Corp." had received a letter of intent from the State Government before the amendment, under Section 10A(2)(c), they must fulfill the conditions within two years to be granted the mining lease.

If "ABC Mining Corp." fails to meet these requirements, their area of interest could be put up for auction as per Section 10A(2)(d), allowing other eligible entities to bid for the mining rights.

Section 10B: Grant Of Mining Lease In Respect Of Notified Minerals Through Auction

- (1) The provisions of this section shall not apply to the, -
 - (a) cases falling under section 17A;

- (b) minerals specified in Part A of the First Schedule;
- (c) 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; or
- (d) land in respect of which the minerals do not vest in the Government.

(2) Where there is inadequate evidence to show the existence of mineral contents of any notified mineral in respect of any area, a State Government may, after obtaining the previous approval of the Central Government, grant a composite licence for the said notified mineral in such area in accordance with the procedure laid down in section 11.

(3) In areas where the existence of mineral contents of any notified mineral is established in the manner prescribed by the Central Government, the State Government shall notify such areas for grant of mining leases for such notified mineral, the terms and conditions subject to which such mining leases shall be granted, and any other relevant conditions, in such manner as may be prescribed by the Central Government.

Provided that where the State Government has not notified such area for grant of mining lease after establishment of existence of mineral contents of any mineral (whether notified mineral or otherwise), the Central Government may require the State Government to notify such area within a period to be fixed in consultation with the State Government and in cases where the notification is not issued within such period, the Central Government may notify such area for grant of mining lease after the expiry of the period so specified.

(4) For the purpose of granting a mining lease in respect of any notified mineral in such notified area, the State Government shall select, through auction by a method of competitive bidding, including e - auction, an applicant who fulfils the eligibility conditions as specified in this Act.

Provided that -

- (a) where the State Government has not successfully completed auction for the purpose of granting a mining lease in respect of any mineral (whether notified mineral or otherwise) in such notified area; or
- (b) upon completion of such auction, the mining lease or letter of intent for grant of mining lease 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 a period to 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 conduct auction for grant of mining lease for such area after the expiry of the period so specified:

Provided further 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 mining lease for such area to such preferred bidder in such manner as may be prescribed by the Central Government.

(5) The Central Government shall prescribe the terms and conditions, and procedure, subject to which the auction shall be conducted, including the bidding parameters for the selection, which may include a share in the production of the mineral, or any payment linked to the royalty payable, or any other relevant parameter, or any combination or modification of them.

(6) Without prejudice to the generality of sub - section (5), the Central Government shall, if it is of the opinion that it is necessary and expedient to do so, prescribe terms and conditions, procedure and bidding parameters in respect of categories of minerals, size and area of mineral deposits and a State or States, subject to which the auction shall be conducted:

Provided that no mine shall be reserved for captive purpose in the auction.

(7) The State Government shall grant a mining lease to an applicant selected in accordance with the procedure laid down in this section in respect of such notified mineral in any notified area.

Simplified Act

Simplified Explanation of Section 10B of The Mines and Minerals (Development and Regulation) Act, 1957

1. Exceptions:

This section doesn't apply to:

Cases under section 17A.

Minerals listed in Part A of the First Schedule.

Atomic minerals in Part B of the First Schedule with a grade at or above a certain level set by the government.

Land where the government doesn't own the minerals.

2. Granting a Composite License:

If there's not enough proof of minerals in an area, a state can issue a combined exploration and mining license with the central government's approval, following a set procedure.

3. Establishing Mineral Content and Auction Notification:

When minerals are proven to exist, the state must announce where mining leases can be given out. The central government sets the conditions for these leases. If a state doesn't announce it, the central government can step in and do so after a certain time.

4. Auction Process for Leases:

The state must auction off the right to mine to a qualified bidder. If the state fails to auction successfully or the lease ends, the central government can require a new auction or do it themselves.

5. Auction Rules:

The central government sets the auction's rules, including how bidders are chosen, which might be based on production share, royalty payments, or other factors.

6. Specific Auction Rules:

The central government can create special auction rules for different types of minerals or regions, but they can't reserve mines just for one user's benefit (captive purpose).

7. Granting the Mining Lease:

The state must give a mining lease to the applicant chosen through the auction process for the specified minerals and area.

Explanation using Example

Imagine a company, "ABC Mining Corp," is interested in extracting a particular mineral, say copper, which is not listed in Part A or Part B of the First

Schedule of the Mines and Minerals (Development and Regulation) Act, 1957. The state where ABC Mining Corp wants to operate has established the existence of copper deposits in a certain area.

As per Section 10B of the Act, the state government is required to notify the area for the grant of mining leases for copper through an auction process. ABC Mining Corp, being an eligible bidder, participates in the e-auction conducted by the state government and wins the bid.

The state government then, in accordance with the prescribed procedure by the Central Government, grants a mining lease to ABC Mining Corp for the notified area where the copper deposits are located. The lease includes terms and conditions such as a share in the production of copper or payments linked to the royalty payable, as determined during the auction process.

This process ensures a transparent and competitive method for granting mining rights, while also ensuring that the state and central governments have oversight and control over the exploitation of mineral resources.

Section 10C: Omitted

10C Grant of non-exclusive reconnaissance permits — Omitted by the Mines and Minerals (Development and Regulation) Amendment Act, 2021, s 16 with effect from 28-3-2021.

Simplified Act

Section 10C: Issuing permits to search for minerals without exclusive rights — This section was removed by an amendment to the Mines and Minerals (Development and Regulation) Act in 2021, and this change has been in effect since March 28, 2021.

Section 11: Grant Of Composite Licence Through Auction In Respect Of Minerals Other Than Notified Minerals

- (1) The provisions of this section shall not apply to the, -
- (a) cases falling under section 17A;
 - (b) minerals specified in Part A of the First Schedule;

(c) 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; or

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

(2) In areas where there is evidence to show the existence of mineral contents as required by clause (a) of sub-section (2) of section 5, the State Government shall grant a mining lease for minerals other than notified minerals following the procedure laid down in section 10B.

(3) In areas where there is inadequate evidence to show the existence of mineral contents as required under clause (a) of sub-section (2) of section 5, the State Government shall grant a composite licence for minerals other than notified minerals in accordance with the procedure laid down in this section.

(4) The State Government shall notify the areas in which composite licence shall be granted for any minerals other than notified minerals, the terms and conditions subject to which such composite licence shall be granted, and any other relevant conditions, in such manner as may be prescribed by the Central Government.

Provided that where the State Government has not notified such area for grant of mining lease after establishment of existence of mineral contents of any mineral (whether notified mineral or otherwise), the Central Government may require the State Government to notify such area within a period to be fixed in consultation with the State Government and in cases where the notification is not issued within such period, the Central Government may notify such area for grant of mining lease after the expiry of the period so specified.

(5) For the purpose of granting composite licence, the State Government shall select, through auction by method of competitive bidding, including e-auction, an applicant who fulfils the eligibility conditions as specified in this Act.

Provided that -

(a) where the State Government has not successfully completed auction for the purpose of granting a composite licence in respect of any mineral (whether notified mineral or otherwise) in such notified area; or

(b) upon completion of such auction, the composite licence or letter of intent for grant of composite 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 a period to 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 conduct auction for grant of composite licence for such area after the expiry of the period so specified :

Provided further 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 composite licence for such area to such preferred bidder in such manner as may be prescribed by the Central Government.

(6) The Central Government shall prescribe the terms and conditions, and procedure, subject to which the auction shall be conducted, including the bidding parameters for the selection, which may include a share in the production of the mineral, or any payment linked to the royalty payable, or any other relevant parameter, or any combination or modification of them.

(7) Without prejudice to the generality of sub-section (6), the Central Government shall, if it is of the opinion that it is necessary and expedient to do so, prescribe terms and conditions, procedure and bidding parameters in respect of categories of minerals, size and area of mineral deposits and a State or States, subject to which the auction shall be conducted.

(8) The State Government shall grant a composite licence to an applicant selected in accordance with the procedure laid down in this section.

(9) The holder of a composite licence shall be required to complete, within the period laid down in section 7, the prospecting operations satisfactorily as specified in the notice inviting applications.

(10) On completion of the prospecting operations, the holder of the composite licence shall submit the result of the prospecting operations in the form of a geological report to the State Government specifying the area required for mining lease and the State Government shall grant mining lease for such area, to the holder of the composite licence in such manner as may be prescribed by the Central Government.

Simplified Act

Simplified Explanation of Section 11 of The Mines and Minerals (Development and Regulation) Act, 1957

1. When Section 11 Doesn't Apply:

This section doesn't cover situations already dealt with in section 17A.

It also doesn't apply to minerals listed in Part A or certain minerals in Part B of the First Schedule, especially those atomic minerals that meet a specific quality threshold set by the government.

Finally, it doesn't apply to lands where the government doesn't own the minerals.

2. Granting Mining Leases:

If there's clear evidence of minerals, the state government must grant a mining lease for minerals not listed as notified minerals, following a specific process outlined in section 10B.

3. Granting Composite Licences:

If there's not enough evidence of minerals, the state government must grant a composite licence, which allows for both prospecting and mining, following the rules in this section.

4. Notification of Areas:

The state government will announce areas where composite licences can be granted, along with the terms and conditions as directed by the central government.

5. Auction Process:

For granting composite licences, the state government must choose a qualified applicant through an auction, which could be an online auction.

If the state doesn't successfully auction a licence, or if a licence is cancelled or expires, the central government can step in and require a new auction or conduct it themselves.

Once the auction is successful, the central government tells the state government who won, and the state then grants the licence as per central government rules.

6. Auction Terms and Conditions:

The central government sets the rules for the auction, including how the winning bidder is chosen. This could be based on how much mineral they'll produce, payments related to royalties, or other factors.

7. Specific Auction Rules:

The central government can create specific auction rules for different types of minerals, sizes of deposits, and regions if it thinks it's necessary.

8. Issuing Composite Licences:

The state government must give a composite licence to the applicant chosen through the auction process.

9. Prospecting Requirements:

The licence holder must complete prospecting (exploring for minerals) within a set time and to a satisfactory level as outlined in the application notice.

10. From Prospecting to Mining:

After prospecting, the licence holder must report the results to the state government. If they found minerals, they must specify where they want the mining lease. The state government then grants a mining lease for that area, following central government rules.

Explanation using Example

Imagine a scenario where a private company, "Future Minerals Pvt. Ltd.", is interested in exploring and potentially mining a non-coal mineral resource such as copper in a particular region of a state. The area is known to have some evidence of copper deposits, but the extent and economic viability of the deposits are not yet fully established.

The state government, as per Section 11 of The Mines and Minerals (Development and Regulation) Act, 1957, decides to grant a composite licence for this mineral through an auction process. Since the evidence of mineral content is inadequate, the company cannot directly apply for a mining lease.

Future Minerals Pvt. Ltd. participates in the e-auction conducted by the state government and wins the bid. The state government then grants them a composite licence, which includes both the right to prospect (explore) and the potential to subsequently mine (if economically viable deposits are found).

The company carries out prospecting operations within the specified period and submits their geological report to the state government. The report confirms the presence of economically viable copper deposits. Consequently, the state government, following the prescribed procedure by the Central Government, grants a mining lease to Future Minerals Pvt. Ltd. for the area they have outlined in their geological report.

Section 11A: Granting Of Mineral Concession Or Composite Licence In Respect Of Coal Or Lignite

(1) Notwithstanding anything contained in this Act, the Central Government may, for the purpose of granting mineral concession or composite licence in respect of coal or lignite select any of the following companies through auction by competitive bidding, on such terms and conditions as may be prescribed, namely:

(a) a Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be, or any other company incorporated in India; or

(b) a company or a joint venture company formed by two or more companies, to carry on coal or lignite reconnaissance or prospecting or mining operations, for own consumption, sale or for any other purpose as may be determined by the Central Government;

Provided that the auction by competitive bidding under this section shall not be applicable to coal or lignite -

(a) where such area is considered for allotment to a Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be, for own consumption, sale or for any other purpose as may be determined by the Central Government;

(b) where such area is considered for allotment to a company or corporation that has been awarded a power project on the basis of competitive bid for tariff (including Ultra Mega Power Projects);

(2) The Central Government may, with a view to rationalise coal and lignite mines referred to in sub-section (1), so as to ensure the coordinated and

scientific development and utilisation of resources consistent with the growing requirements of the country, from time to time, prescribe -

- (i) the details of mines and their location;
- (ii) the minimum size of such mines;
- (iii) such other conditions, which in the opinion of that Government may be necessary for the purpose of mining operations or mining for sale by a company.

(3) The State Government shall grant such mineral concession or composite licence in respect of any area containing coal or lignite to such company as selected through auction by competitive bidding or through allotment under this section:

Provided that the auction by competitive bidding under this section shall not be applicable to an area containing coal or lignite -

(a) where such area is considered for allocation to a Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be;

(b) where such area is considered for allocation to a company or corporation or that has been awarded a power project on the basis of competitive bids for tariff (including Ultra Mega Power Projects).

Explanation For the purposes of this section, "company" means a company as defined in clause (20) of section 2 of the Companies Act, 2013 (18 of 2013).

Simplified Act

Simplified Explanation of Section 11A of The Mines and Minerals (Development and Regulation) Act, 1957

(1) The Central Government has the power to decide which companies can be given the rights to search for and extract coal or lignite. This is done through an auction where companies bid against each other. The terms and conditions for this are set by the government. These companies can be:

(a) Companies owned by the government, partnerships between government companies, or partnerships that include either the Central or State Government.

(b) Private companies or partnerships between multiple companies that want to use coal or lignite for their own use, selling it, or other purposes approved by the Central Government.

However, auctions are not needed if:

(a) The government is considering giving the rights to a government company or partnership for their own use, selling, or other approved purposes.

(b) The area is being considered for a company that has won the right to build a power project through a competitive bidding process (this includes very large power projects).

(2) The Central Government can set rules to make sure coal and lignite mining is done in an organized and scientific way that meets the country's needs.

These rules can include:

(i) The specific mines and their locations.

(ii) The smallest size allowed for these mines.

(iii) Any other necessary conditions for mining or selling the coal or lignite by a company.

(3) The State Government must give the rights to mine coal or lignite to the companies chosen by the Central Government through the auction or allotment process. However, auctions are not required if:

(a) The area is being considered for a government company or partnership.

(b) The area is being considered for a company that has won the right to build a power project through competitive bidding (including very large power projects).

Note: In this section, "company" refers to the definition given in the Companies Act, 2013.

Explanation using Example

Imagine a scenario where a private company, "XYZ Power Ltd.", is planning to establish a new thermal power plant. To fuel this plant, they require a steady supply of coal. Under Section 11A of The Mines and Minerals (Development and Regulation) Act, 1957, XYZ Power Ltd. decides to participate in an auction for a coal mining concession.

As per the act, the Central Government is conducting an auction by competitive bidding to grant mineral concessions or composite licences for coal mining. XYZ Power Ltd., being a company incorporated in India, is eligible to bid in this auction.

However, the auction is not applicable to certain government companies or joint ventures, or to companies allocated a power project based on competitive tariff bids, including Ultra Mega Power Projects. Since XYZ Power Ltd. does not fall under these exceptions, it actively competes in the auction.

The Central Government has prescribed the details of the mines, their locations, and the minimum size of the mines to ensure the scientific and coordinated development of the coal resources. XYZ Power Ltd. reviews these conditions and prepares its bid accordingly.

Upon winning the bid, XYZ Power Ltd. is granted the mineral concession by the State Government, allowing them to proceed with coal mining operations to supply their thermal power plant, in line with the provisions of Section 11A.

Section 11B: Power Of Central Government To Make Rules For Regulating Atomic Minerals Specified Under Part B Of First Schedule

The Central Government may, by notification in the Official Gazette, make rules for regulating the grant of mining leases or other mineral concessions in respect of minerals specified in Part B of the First Schedule and for purposes connected therewith, and the State Government shall grant a mineral concession in respect of any such mineral in accordance with such rules.

Simplified Act

Simplified Explanation of Section 11B - Rules for Atomic Minerals Regulation

The Central Government has the authority to create rules that manage how mining leases or rights to mine minerals are given for the atomic minerals listed in Part B of the First Schedule. They will announce these rules through the Official Gazette. Then, the State Government must follow these rules when granting permissions to mine these specific minerals.

Explanation using Example

Imagine a company, Quantum Resources Ltd., wants to explore and mine uranium, which is listed under Part B of the First Schedule of the Mines and

Minerals (Development and Regulation) Act, 1957. According to Section 11B, the Central Government has the authority to establish rules for the granting of mining leases for uranium. Therefore, Quantum Resources Ltd. must follow the central rules when applying for a mining lease. The State Government, where the uranium deposit is located, is required to grant the mining lease to Quantum Resources Ltd. in accordance with the rules set by the Central Government.

Section 11C: Power Of Central Government To Amend First Schedule And Fourth Schedule

The Central Government may, by notification in the Official Gazette, amend the First Schedule and the Fourth Schedule so as to add to or delete from either Schedule any mineral as may be specified in the notification.

Simplified Act

11C Authority of the Central Government to Update the List of Minerals

The Central Government has the power to update the lists of minerals in the First and Fourth Schedules of the law. They can add or remove any mineral to or from these lists. This change is made official by publishing a notice in the government's official publication.

Explanation using Example

Imagine that a new mineral, let's call it "Unobtainium," has been discovered and it has significant industrial uses. The Central Government recognizes the potential of Unobtainium and decides it should be included in the list of minerals that are regulated under The Mines and Minerals (Development and Regulation) Act, 1957. To officially bring Unobtainium under the Act's regulations, the government will use Section 11C. They will issue a notification in the Official Gazette amending the First Schedule to add Unobtainium to the list of minerals. This means that from then on, the exploration and mining of Unobtainium will be subject to the provisions of the Act, ensuring its extraction is regulated for the benefit of the country.

Section 12: Registers Of Prospecting Licences And Mining Leases

(1) The State Government shall cause to be maintained in the prescribed form

- (a) a register of applications for prospecting licences;
- (b) a register of prospecting licensees;
- (c) a register of applications for mining leases;
- (d) a register of mining lessees;
- (e) a register of applications for reconnaissance permits; and
- (f) a register of reconnaissance permits,

in each of which shall be entered such particulars as may be prescribed.

(2) Every such register shall be open to inspection by any person on payment of such fee as the State Government may fix.

Simplified Act

Section 12 Simplified Explanation:

(1) The government of each state is required to keep detailed records in a specific format, which include:

- (a) A list of all the applications for permission to search for minerals (prospecting licences);
- (b) A list of all the individuals or companies that have permission to search for minerals (prospecting licensees);
- (c) A list of all the applications for permission to extract minerals (mining leases);
- (d) A list of all the individuals or companies that have permission to extract minerals (mining lessees);
- (e) A list of all the applications for permission to do initial surveys to find minerals (reconnaissance permits); and
- (f) A list of all the permits given to do these initial surveys (reconnaissance permits).

These records will include specific details as required by law.

(2) Anyone can look at these records if they pay a fee that the state government sets.

Explanation using Example

Imagine a company, XYZ Mining Corp, is interested in exploring a particular area for minerals. They submit an application to the State Government for a prospecting licence. As per Section 12(1)(a) of The Mines and Minerals (Development and Regulation) Act, 1957, the State Government will enter the details of this application into a register specifically maintained for this purpose.

Once XYZ Mining Corp receives their prospecting licence, their details will be moved to the register of prospecting licensees as per Section 12(1)(b). If they later decide to apply for a mining lease to start extraction of minerals, their application will be recorded in the register of applications for mining leases under Section 12(1)(c).

If granted the mining lease, the information about XYZ Mining Corp will be entered into the register of mining lessees as per Section 12(1)(d). All these registers are kept up to date with all applicants and licensees, and as per Section 12(2), they are open for public inspection, allowing transparency and public knowledge of mining activities, provided the person pays the required fee set by the State Government.

Section 12A: Transfer Of Mineral Concessions

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

(2) A holder of a mining lease or a composite licence granted in accordance with the procedure laid down in this Act may, with the previous approval of the State Government, transfer his mining lease or composite licence, as the case may be, in such manner as may be prescribed by the Central Government, to any person eligible to hold such mining lease or composite licence in accordance with the provisions of this Act and the rules made thereunder. Provided that the transferee of mining lease shall not be required to pay the amount or transfer charges referred to in sub-section (6), as it stood prior to the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2021, after such commencement but no refund shall be made of the charges already paid.

(3) If the State Government does not convey its previous approval for transfer of such mining lease or composite licence, as the case may be, within a period of

ninety days from the date of receiving such notice, it shall be construed that the State Government has no objection to such transfer:

Provided that the holder of the original mining lease or composite licence shall intimate to the State Government the consideration payable by the successor-in-interest for the transfer, including the consideration in respect of the prospecting operations already undertaken and the reports and data generated during the operations.

(4) No such transfer of a mining lease or composite licence, referred to in subsection (2), shall take place if the State Government, within the notice period and for reasons to be communicated in writing, disapproves the transfer on the ground that the transferee is not eligible as per the provisions of this Act: Provided that no such transfer of a mining lease or of a composite licence, shall be made in contravention of any condition subject to which the mining lease or the composite licence was granted.

(5) All transfers effected under this section shall be subject to the condition that the transferee has accepted all the conditions and liabilities under any law for the time being in force which the transferor was subject to in respect of such a mining lease or composite licence, as the case may be.

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 such amount or transfer charges as may be prescribed.

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.

Simplified Act

Simple Explanation of Section 12A: Transfer of Mineral Concessions

1. Scope of Application

This section does not concern minerals listed in Part A or Part B of the schedule attached to the law.

2. Transferring Mining Rights

If you have the right to mine (a mining lease) or a combined permit (composite licence), you can transfer it to someone else who is allowed to have such a

right, but you must get permission from the State Government first. The Central Government decides how this is done. The new owner of the mining lease doesn't have to pay certain transfer fees after the 2021 law change, but won't get a refund for fees already paid.

3. Approval by Default

If the State Government doesn't say no within 90 days after they are notified about the transfer, it's assumed they agree. However, the current holder must tell the State Government how much the new owner is paying, including for any exploration work already done and the information gathered from it.

4. Conditions for Transfer

The transfer won't be allowed if the State Government says the new owner isn't qualified, and they have to give their reasons in writing. Also, the transfer must follow any conditions that were originally set when the mining right was given.

5. Accepting Existing Conditions

Anyone who takes over a mining right must agree to all the existing terms and responsibilities. If a mining lease was given without an auction and the minerals are being used by the lease holder's own manufacturing unit, the transfer can happen under certain conditions and payments.

Definition: "Used for captive purpose" means all minerals taken from the mine are used by the lease holder's own manufacturing unit.

Explanation using Example

Imagine a company, RockSolid Minerals Pvt. Ltd., that holds a mining lease for limestone in a particular state. The company has been extracting limestone for several years and has decided to focus on other business ventures. As a result, RockSolid Minerals wants to transfer its mining lease to another company, StoneWorks Industries, which specializes in limestone processing and is eligible to hold a mining lease under the Act.

Before the transfer can occur, RockSolid Minerals applies for approval from the State Government, as required by Section 12A(2) of the Mines and Minerals (Development and Regulation) Act, 1957. They provide all the necessary details about the transfer, including the financial consideration for the prospecting operations and the data generated.

The State Government does not respond to the application within 90 days, which, as per Section 12A(3), means it is deemed to have no objection to the transfer. StoneWorks Industries agrees to accept all the conditions and liabilities associated with the mining lease, as required by Section 12A(5).

With the transfer deemed approved, RockSolid Minerals can legally transfer the mining lease to StoneWorks Industries, enabling StoneWorks to commence its limestone processing operations under the existing lease without any disruption.

CHAPTER IV: RULES FOR REGULATING THE GRANT OF PROSPECTING LICENCES AND MINING LEASES

Section 13: Power Of Central Government To Make Rules In Respect Of Minerals

(1) The Central Government may, by notification in the Official Gazette, make rules for regulating the grant of mineral concession in respect of minerals and for purposes connected therewith.

(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:

(a) the person by whom, and the manner in which, applications for mineral concession in respect of land in which the minerals vest in the Government may be made and the fees to be paid therefor;

(aa) the conditions as may be necessary for commencement and continuation of production by the holders of mining leases, under section 4B;

(ab) the conditions to be fulfilled by the new lessee for obtaining all necessary rights, approvals, clearances, licences and the like under the proviso to sub-section (2) of section 8B;

(ac) the level of exploration in respect of deep seated minerals or such minerals and the procedure, including the bidding parameters for selection of the holders under the proviso to sub-section (2) of section 10C;

(b) the time within which, and the form in which, acknowledgment of the receipt of any such application may be sent;

- (c) the matters which may be considered where applications in respect of the same land are received on the same day;
- (d) the terms, conditions and process of auction by competitive bidding and allotment in respect of coal or lignite;
- (da) the regulation of grant of mineral concession or composite licence in respect of coal or lignite;
- (db) the details of mines and their location, the minimum size of such mines and such other conditions which may be necessary for the purpose of coal or lignite reconnaissance, prospecting or mining operations;
- (dc) utilisation of coal or lignite including mining for sale by a company
- (e) the authority by which mineral concession in respect of land in which the minerals vest in the Government may be granted;
- (f) the procedure for obtaining a mineral concession in respect of any land in which the minerals vest in a person other than the Government and the terms on which, and the conditions subject to which, such a permit, licence or lease may be granted or renewed;
- (g) the terms on which, and the conditions subject to which, may other mineral concession may be granted or renewed;
- (h) the facilities to be afforded by holders of mining leases to persons deputed by the Government for the purpose of undertaking research or training in matters relating to mining operations;
- (i) the fixing and collection of fees for mineral concession surface rent, security deposit, fines, other fees or charges and the time within which and the manner in which the dead rent or royalty shall be payable;
- (j) the manner in which rights of third parties may be protected (whether by payment of compensation or otherwise) in cases where any such party may be prejudicially affected by reason of any mineral concession;
- (jj) parameters of existence of mineral contents under clause (a) of sub-section (2) of section 5;
- (k) the grouping of associated minerals for the purposes of section 6;
- (l) the manner in which, and the conditions subject to which, a mineral concession may be transferred;

(m) the construction, maintenance and use of roads, power transmission lines, tramways, railways, aerial ropeways, pipelines and the making of passages for water for mining purposes on any land comprised in a mining lease;

(n) the form of registers to be maintained under this Act;

(p) the reports and statements to be submitted by holders of mineral concession or owners of mines and the authority to which such reports and statements shall be submitted;

(q) the period within which applications for revision of any order passed by a State Government or other authority in exercise of any power conferred by or under this Act, may be made the fees to be paid therefore and the documents which shall accompany such applications and the manner in which such applications shall be disposed of;

(qq) the manner in which rehabilitation of flora and other vegetation, such as trees, shrubs and the like destroyed by reason of any prospecting or mining operations shall be made in the same area or in any other area selected by the Central Government (whether by way of reimbursement of the cost of rehabilitation or otherwise) by the person holding the prospecting licence or mining lease;

(qqa) the amount of payment to be made to the District Mineral Foundation under sub-sections (5) and (6) of section 9B;

(qqb) the manner of usage of funds accrued to the National Mineral Exploration Trust under sub-section (2) of section 9C;

(qqc) the composition and functions of the National Mineral Exploration Trust under sub-section (3) of section 9C;

(qqd) the manner of payment of amount to the National Mineral Exploration Trust under sub-section (4) of section 9C;

(qqe) the terms and conditions subject to which mining leases shall be granted under sub-section (3) of section 10B;

(qqf) the terms and conditions, and procedure, subject to which the auction shall be conducted including the bidding parameters for the selection under sub-section (5) of section 10B;

(qqg) the time limits for various stages in processing applications for grant of mining lease or composite licence under sections 10B, 11, 11A, 11B, and section 17A, and their renewals;

(qqi) the terms and conditions for grant of composite licence under sub-section (4) of section 11;

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

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

(r) the period of mining lease under sub-section (4) of section 8;

(s) the manner of sale of mineral by the holder of a mining lease under sub-section (5) of section 8;

(t) the manner of sale of mineral under sub-section (7A) of section 8A;

(u) the manner for reimbursement of expenditure towards reconnaissance permits or prospecting operations under the second proviso to clause (b) of sub-section (2) of section 10A;

(v) the manner of granting mining lease to the preferred bidder under the second proviso to sub-section (4) of section 10B;

(w) the manner of granting composite licence to the preferred bidder under the second proviso to sub-section (5) of section 11;

(x) the manner of granting mining lease by the State Government to the holder of the composite licence under sub-section (10) of section 11;

(y) any other matter which is to be, or may be prescribed, under this Act.

Simplified Act

(1) The Central Government can create rules about how to give out rights to mine minerals. These rules will be announced in a public government document.

(2) Specifically, these rules can cover topics such as:

(a) Who can apply for mining rights, how to do it, and what fees need to be paid;

- (aa) What conditions must be met to start and keep mining;
- (ab) What a new mining company must do to get all necessary permissions and licenses;
- (ac) How to handle the search for minerals that are deep underground;
- (b) How and when the government will acknowledge they received a mining application;
- (c) How to decide between applications for the same piece of land that arrive on the same day;
- (d) How the government will auction off mining rights for coal or lignite;
- (da) Rules for giving out mining rights or licenses for coal or lignite;
- (db) Information about coal or lignite mines, including their size and other necessary conditions for exploration and mining;
- (dc) How coal or lignite can be used, including when it's mined for sale;
- (e) Which government authority can give out mining rights;
- (f) How to get mining rights on land owned by someone other than the government, and under what terms and conditions;
- (g) Terms and conditions for giving out or renewing any other mining rights;
- (h) What facilities mining companies must provide for government research and training;
- (i) How much mining companies have to pay in fees, rent, deposits, fines, and when and how they must pay for mining rights;
- (j) How to protect the rights of people who might be affected by mining operations;
- (jj) How to determine the presence of minerals in the ground;
- (k) How to group different minerals together for mining purposes;
- (l) How and under what conditions mining rights can be transferred to someone else;
- (m) Rules for building and using roads, power lines, and other infrastructure for mining;

- (n) What kind of records mining companies must keep;
- (p) What kind of reports mining companies must submit, and to whom;
- (q) How to appeal decisions made by state governments or other authorities about mining, including what fees to pay and what paperwork is needed;
- (qq) How to restore plants and other vegetation destroyed by mining;
- (qqa) How much money to pay to a local mining fund;
- (qqb) How to use the money that goes into the National Mineral Exploration Trust;
- (qqc) What the National Mineral Exploration Trust is and what it does;
- (qqd) How to pay money to the National Mineral Exploration Trust;
- (qqe) Terms and conditions for giving out mining leases;
- (qqf) How to conduct auctions for mining leases, including how to decide who wins;
- (qqg) How long it takes to process applications for mining leases;
- (qqi) Terms and conditions for giving out a special kind of mining license;
- (qqj) How to decide who gets a special kind of mining license through bidding;
- (qqja) How much to charge for transferring mining rights;
- (r) How long a mining lease can last;
- (s) How a mining company can sell the minerals it mines;
- (t) How to sell minerals under certain conditions;
- (u) How to get paid back for money spent on exploring for minerals;
- (v) How to give a mining lease to the person or company that offers the best bid;
- (w) How to give a special kind of mining license to the person or company that offers the best bid;
- (x) How a state government can give a mining lease to the holder of a special license;
- (y) Any other issues that need rules under this law.

Explanation using Example

Imagine a company, "GreenRock Mining Corp.," wants to apply for a mining lease to extract bauxite on government-owned land. According to Section 13 of The Mines and Minerals (Development and Regulation) Act, 1957, the Central Government has the authority to establish rules for granting such a lease. Here's how the law might apply:

GreenRock submits an application for a mining lease, following the rules set out by the Central Government, including paying the necessary application fees.

The application includes details about how GreenRock intends to start and continue production, in line with the conditions under section 4B.

The government acknowledges receipt of the application in the prescribed form and timeframe.

If another company also applies for a mining lease on the same land on the same day, the rules will dictate how to consider both applications.

The lease terms, competitive bidding process, and auction details are all laid out by the rules, ensuring a fair and transparent process.

GreenRock may need to provide facilities for government-deputed researchers or trainees.

The company will have to pay fees, rent, and royalties as fixed by the rules and comply with the conditions for environmental rehabilitation.

If GreenRock's operations affect third parties, the rules will outline how their rights are to be protected, potentially through compensation.

Upon successful acquisition of the lease, GreenRock must adhere to the rules for reporting, maintaining records, and transferring the lease, if necessary.

Section 13A: Power Of Central Government To Make Rules For Grant Of Prospecting Licences Or Mining Leases In Respect Of Territorial Waters Or Continental Shelf Of India

(1) The Central Government may, by notification in the Official Gazette, make rules for the grant of prospecting licences or mining leases in respect of any

minerals underlying the ocean within the territorial waters or the continental shelf of India.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:

(a) the conditions, limitations and restrictions subject to which such prospecting licences or mining leases may be granted;

(b) regulation of exploration and exploitation of minerals within the territorial waters or the continental shelf of India;

(c) ensuring that such exploration or exploitation does not interfere with navigation; and

(d) any other matter which is required to be, or may be, prescribed.

Simplified Act

Simplified Explanation of Section 13A:

The Central Government's Authority to Regulate Mining in Ocean Areas of India

(1) The Indian Central Government has the power to create rules about who can search for minerals (prospecting) or extract them (mining) in the ocean areas that belong to India. These areas include the territorial waters and the continental shelf. They will announce these rules through an official publication called the Official Gazette.

(2) The rules they make can cover a variety of details, including but not limited to:

(a) The specific conditions, limits, and rules one must follow to get permission to search for or mine minerals;

(b) How to manage and control the search for and extraction of minerals in these ocean areas;

(c) Making sure that these activities do not disrupt ships and boats moving through these waters;

(d) Any other rules or requirements that need to be established for this purpose.

Explanation using Example

Imagine a scenario where a private company, "Oceanic Resources Ltd.," wishes to explore and potentially mine a mineral-rich area located within India's territorial waters. Before they can start their operations, they need to obtain a prospecting licence or a mining lease from the Indian government.

The Ministry of Mines releases a notification in the Official Gazette, outlining the rules created under Section 13A of The Mines and Minerals (Development and Regulation) Act, 1957. These rules specify the application process, the environmental safeguards that must be adhered to, and the operational guidelines that ensure the activities do not disrupt marine navigation.

Oceanic Resources Ltd. submits their application in accordance with these rules and after a thorough review process, the government grants them a prospecting licence with certain conditions to ensure sustainable practices and minimal environmental impact. The company is now legally permitted to survey the area and, if viable mineral deposits are found, they can apply for a mining lease under the same section, again subject to the central government's rules and regulations.

Section 14: [Sections 5 To 13] Not To Apply To Minor Minerals

The provisions of sections 5 to 13 (inclusive) shall not apply to quarry leases, mining leases or other mineral concessions in respect of minor minerals.

Simplified Act

The rules from sections 5 to 13 of this law do not apply to the agreements or permissions for extracting minor minerals. Minor minerals are treated differently from other types of minerals.

Explanation using Example

Imagine a local government wants to issue a lease for quarrying sand, which is classified as a minor mineral. According to Section 14 of The Mines and Minerals (Development and Regulation) Act, 1957, the procedures and requirements outlined in sections 5 to 13 of the Act, which may include obtaining certain permissions, maintaining records, and paying fees for major minerals, do not apply to this sand quarry lease. Instead, the regulation of the

lease will be governed by the rules specific to minor minerals, which are often under the purview of the state government.

Section 15: Power Of State Governments To Make Rules In Respect Of Minor Minerals

(1) The State Government may, by notification in the Official Gazette, make rules for, regulating the grant of quarry leases, mining leases or other mineral concessions in respect of minor minerals and for purposes connected therewith.

(1A) 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) the person by whom and the manner in which, applications for quarry leases, mining leases or other mineral concessions may be made and the fees to be paid therefor;

(b) the time within which, and the form in which, acknowledgement of the receipt of any such applications may be sent;

(c) the matters which may be considered where applications in respect of the same land are received within the same day;

(d) the terms on which, and the conditions subject to which and the authority by which quarry leases, mining leases or other mineral concessions may be granted or renewed;

(e) the procedure for obtaining quarry leases, mining leases or other mineral concessions;

(f) the facilities to be afforded by holders of quarry leases, mining leases or other mineral concessions to persons deputed by the Government for the purpose of undertaking research or training in matters relating to mining operations;

(g) the fixing and collection of rent, royalty, fees, dead rent, fines or other charges and the time within which and the manner in which these shall be payable;

(h) the manner in which rights of third parties may be protected (whether by way of payment of compensation or otherwise) in cases where any such party is prejudicially affected by reason of any prospecting or mining operations;

(i) the manner in which rehabilitation of flora and other vegetation such as trees, shrubs and the like destroyed by reason of any quarrying or mining operations shall be made in the same area or in any other area selected by the State Government (whether by way of reimbursement of the cost of rehabilitation or otherwise) by the person holding the quarrying or mining lease;

(j) the manner in which and the conditions subject to which, a quarry lease, mining lease or other mineral concession may be transferred;

(k) the construction, maintenance and use of roads power transmission lines, tramways, railways, serial rope ways, pipelines and the making of passage for water for mining purposes on any land comprised in a quarry or mining lease or other mineral concession;

(l) the form of registers to be maintained under this Act;

(m) the reports and statements to be submitted by holders of quarry or mining leases or other mineral concessions and the authority to which such reports and statements shall be submitted;

(n) the period within which and the manner in which and the authority to which applications for revision of any order passed by any authority under these rules may be made, the fees to be paid therefore, and the powers of the revisional authority; and

(o) any other matter which is to be, or may be, prescribed.

(2) Until rules are made under sub-section (1), any rules made by a state Government regulating the grant of quarry leases, mining leases or other mineral concessions in respect of minor minerals which are in force immediately before the commencement of these Act shall continue in force.

(3) The holder of a mining lease or any other mineral concession granted under any rule made under sub-section (1) shall pay royalty or dead rent, whichever is more in respect of minor minerals removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee at the rate prescribed for the time being in the rules framed by the State Government in respect of minor minerals: Provided that the State Government shall not enhance the rate of

royalty or dead rent in respect of any minor mineral for more than once during any period of three years.

(4) Without prejudice to sub-sections (1), (2) and sub-section (3), the State Government may, by notification, make rules for regulating the provisions of this Act for the following, namely:

(a) the manner in which the District Mineral Foundation shall work for the interest and benefit of persons and areas affected by mining under sub-section (2) of section 9B;

(b) the composition and functions of the District Mineral Foundation under sub-section (3) of section 9B; and

(c) the amount of payment to be made to the District Mineral Foundation by concession holders of minor minerals under section 15A.

Simplified Act

Simplified Explanation of The Mines and Minerals (Development and Regulation) Act, 1957 - Section 15

1. State Government's Rules for Mineral Concessions: The State Government has the authority to create rules on how to give out permissions for quarrying and mining of minor minerals. These rules are announced publicly.

1A. What the Rules Cover: The rules can address various details, such as:

Who can apply for mining permissions and how, including the application fees.

How quickly and in what form the government must acknowledge these applications.

How to decide between applications for the same land received on the same day.

The terms, conditions, and which authority can grant or renew mining permissions.

The steps to get mining permissions.

How miners should help government researchers or trainees.

The setting, collection, and payment schedule for various mining-related fees and charges.

How to protect the rights and compensate third parties affected by mining.

How to restore vegetation affected by mining, including cost coverage.

The conditions under which mining permissions can be transferred to someone else.

How to build and maintain infrastructure like roads and pipelines for mining.

The types of records miners must keep.

The reports miners must submit and to whom.

How to challenge decisions, including the process, fees, and authorities involved.

Any other aspects that need to be regulated.

2. Temporary Continuation of Existing Rules: Until new rules are made, the existing state rules about minor mineral concessions will remain effective.

3. Payment of Royalties: Miners must pay either royalties or a fixed rent for the minerals they extract or use, based on current state rules. However, the government can't increase these rates more than once every three years.

4. Additional State Government Rules: Besides the above, the State Government can also make rules regarding:

How the District Mineral Foundation should operate to benefit those affected by mining.

The structure and duties of the District Mineral Foundation.

How much concession holders should pay to the District Mineral Foundation.

Explanation using Example

Imagine a construction company, "BuildItRight Inc.," which plans to open a new quarry to source granite for its building projects. The company must first apply for a quarry lease from the state government, as mandated by the Mines and Minerals (Development and Regulation) Act, 1957.

Following Section 15(1), the state has established rules that BuildItRight Inc. must follow. The company fills out the required application form, pays the specified fee, and submits it to the designated authority. The state rules, as per Section 15(1A), detail how the application will be acknowledged, the timeframe

for this acknowledgment, and the process to be followed if there are competing applications for the same land received on the same day.

Once BuildItRight Inc. receives the quarry lease, it must adhere to the conditions set forth in the lease agreement, such as paying royalties or dead rent (as per Section 15(3)), providing facilities for government-deputed researchers (Section 15(1A)(f)), and ensuring the rehabilitation of flora in the mining area (Section 15(1A)(i)).

During the lease period, if BuildItRight Inc. wishes to transfer the lease to another company, they must follow the manner and conditions for transfer as prescribed by the state rules under Section 15(1A)(j).

Moreover, as part of its corporate social responsibility and in accordance with Section 15(4), BuildItRight Inc. is required to make contributions to the District Mineral Foundation, which supports the communities affected by mining operations.

Section 15: Power Of State Governments To Make Rules In Respect Of Minor Minerals

(1) The State Government may, by notification in the Official Gazette, make rules for, regulating the grant of quarry leases, mining leases or other mineral concessions in respect of minor minerals and for purposes connected therewith.

(1A) 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) the person by whom and the manner in which, applications for quarry leases, mining leases or other mineral concessions may be made and the fees to be paid therefor;

(b) the time within which, and the form in which, acknowledgement of the receipt of any such applications may be sent;

(c) the matters which may be considered where applications in respect of the same land are received within the same day;

(d) the terms on which, and the conditions subject to which and the authority by which quarry leases, mining leases or other mineral concessions may be granted or renewed;

(e) the procedure for obtaining quarry leases, mining leases or other mineral concessions;

(f) the facilities to be afforded by holders of quarry leases, mining leases or other mineral concessions to persons deputed by the Government for the purpose of undertaking research or training in matters relating to mining operations;

(g) the fixing and collection of rent, royalty, fees, dead rent, fines or other charges and the time within which and the manner in which these shall be payable;

(h) the manner in which rights of third parties may be protected (whether by way of payment of compensation or otherwise) in cases where any such party is prejudicially affected by reason of any prospecting or mining operations;

(i) the manner in which rehabilitation of flora and other vegetation such as trees, shrubs and the like destroyed by reason of any quarrying or mining operations shall be made in the same area or in any other area selected by the State Government (whether by way of reimbursement of the cost of rehabilitation or otherwise) by the person holding the quarrying or mining lease;

(j) the manner in which and the conditions subject to which, a quarry lease, mining lease or other mineral concession may be transferred;

(k) the construction, maintenance and use of roads power transmission lines, tramways, railways, aerial rope ways, pipelines and the making of passage for water for mining purposes on any land comprised in a quarry or mining lease or other mineral concession;

(l) the form of registers to be maintained under this Act;

(m) the reports and statements to be submitted by holders of quarry or mining leases or other mineral concessions and the authority to which such reports and statements shall be submitted;

(n) the period within which and the manner in which and the authority to which applications for revision of any order passed by any authority under these rules may be made, the fees to be paid therefore, and the powers of the revisional authority; and

(o) any other matter which is to be, or may be, prescribed.

(2) Until rules are made under sub-section (1), any rules made by a state Government regulating the grant of quarry leases, mining leases or other mineral concessions in respect of minor minerals which are in force immediately before the commencement of these Act shall continue in force.

(3) The holder of a mining lease or any other mineral concession granted under any rule made under sub-section (1) shall pay royalty or dead rent, whichever is more in respect of minor minerals removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee at the rate prescribed for the time being in the rules framed by the State Government in respect of minor minerals: Provided that the State Government shall not enhance the rate of royalty or dead rent in respect of any minor mineral for more than once during any period of three years.

(4) Without prejudice to sub-sections (1), (2) and sub-section (3), the State Government may, by notification, make rules for regulating the provisions of this Act for the following, namely:

(a) the manner in which the District Mineral Foundation shall work for the interest and benefit of persons and areas affected by mining under sub-section (2) of section 9B;

(b) the composition and functions of the District Mineral Foundation under sub-section (3) of section 9B; and

(c) the amount of payment to be made to the District Mineral Foundation by concession holders of minor minerals under section 15A.

Simplified Act

Simplified Explanation of The Mines and Minerals (Development and Regulation) Act, 1957 - Section 15

1. State Government's Rules for Mineral Concessions: The State Government has the authority to create rules on how to give out permissions for quarrying and mining of minor minerals. These rules are announced publicly.

1A. What the Rules Cover: The rules can address various details, such as:

Who can apply for mining permissions and how, including the application fees.

How quickly and in what form the government must acknowledge these applications.

How to decide between applications for the same land received on the same day.

The terms, conditions, and which authority can grant or renew mining permissions.

The steps to get mining permissions.

How miners should help government researchers or trainees.

The setting, collection, and payment schedule for various mining-related fees and charges.

How to protect the rights and compensate third parties affected by mining.

How to restore vegetation affected by mining, including cost coverage.

The conditions under which mining permissions can be transferred to someone else.

How to build and maintain infrastructure like roads and pipelines for mining.

The types of records miners must keep.

The reports miners must submit and to whom.

How to challenge decisions, including the process, fees, and authorities involved.

Any other aspects that need to be regulated.

2. Temporary Continuation of Existing Rules: Until new rules are made, the existing state rules about minor mineral concessions will remain effective.

3. Payment of Royalties: Miners must pay either royalties or a fixed rent for the minerals they extract or use, based on current state rules. However, the government can't increase these rates more than once every three years.

4. Additional State Government Rules: Besides the above, the State Government can also make rules regarding:

How the District Mineral Foundation should operate to benefit those affected by mining.

The structure and duties of the District Mineral Foundation.

How much concession holders should pay to the District Mineral Foundation.

Explanation using Example

Imagine a construction company, "BuildItRight Inc.," which plans to open a new quarry to source granite for its building projects. The company must first apply for a quarry lease from the state government, as mandated by the Mines and Minerals (Development and Regulation) Act, 1957.

Following Section 15(1), the state has established rules that BuildItRight Inc. must follow. The company fills out the required application form, pays the specified fee, and submits it to the designated authority. The state rules, as per Section 15(1A), detail how the application will be acknowledged, the timeframe for this acknowledgment, and the process to be followed if there are competing applications for the same land received on the same day.

Once BuildItRight Inc. receives the quarry lease, it must adhere to the conditions set forth in the lease agreement, such as paying royalties or dead rent (as per Section 15(3)), providing facilities for government-deputed researchers (Section 15(1A)(f)), and ensuring the rehabilitation of flora in the mining area (Section 15(1A)(i)).

During the lease period, if BuildItRight Inc. wishes to transfer the lease to another company, they must follow the manner and conditions for transfer as prescribed by the state rules under Section 15(1A)(j).

Moreover, as part of its corporate social responsibility and in accordance with Section 15(4), BuildItRight Inc. is required to make contributions to the District Mineral Foundation, which supports the communities affected by mining operations.

Section 16: Power To Modify Mining Leases Granted Before 25Th October, 1949

(1) (a) All mining leases granted before the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972 (56 of 1972) if in force at the date of commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1994 (25 of 1994), shall be brought in conformity with the provisions of this Act and the rules made thereunder within two years from the date of the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1994, or such further time as the Central Government may, by general or special order, specify in this behalf.

(b) Where the rights under any mining lease, granted by the proprietor of an estate or tenure before the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972 (56 of 1972), have vested, on or after the 25th day of October, 1949, in the State Government in pursuance of the provisions of any Act of any Provincial or State Legislature which provides for the acquisition of estates or tenures or provides for agrarian reform, such mining lease shall be brought into conformity with the provisions of this Act and the rules made thereunder within two years from the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1994 (25 of 1994), or within such further time as the Central Government may, by general or special order, specify in this behalf.

(1A) Where any action is taken under clause (a) or clause (b) of sub-section (1) to bring the period of any lease in conformity with the provisions of this Act and the rules made thereunder, then notwithstanding anything contained in section 8, the period of such lease shall continue to operate for a period of two years from the date of bringing such lease in conformity with the provisions of this Act.

(2) The Central Government may, by notification in the Official Gazette, make rules for the purpose of giving effect to the provisions of sub-section (1) and in particular such rules shall provide -

(a) for giving previous notice of the modification or alteration proposed to be made in any existing mining lease to the lessee and where the lessor is not the Central Government, also to the lessor and for affording him an opportunity of showing cause against the proposal;

(b) for the payment of compensation to the lessee in respect of the reduction of any area covered by the existing mining lease; and

(c) for the principles on which, the manner in which, and the authority by which, the said compensation shall be determined.

Simplified Act

(1) (a) If someone has a mining lease that was given before the 1972 amendment of this law and it was still valid when the 1994 amendment came into effect, they must update their lease to match the current law and rules within two years from when the 1994 amendment started. The government can allow more time if it decides to.

(b) If a mining lease was given by a landowner before the 1972 amendment and the government later took over the rights to this lease due to laws about land ownership or agricultural reform, this lease also needs to be updated to follow the current law and rules within two years from the start of the 1994 amendment. The government can extend this time if needed.

(1A) When these leases are updated to comply with the law, they will still be valid for at least two more years, even if other parts of this law would normally say otherwise.

(2) The government can create rules to help put these changes into effect. These rules will include:

(a) Letting the leaseholder know ahead of time about any changes that are going to be made to their lease and giving them a chance to respond, especially if the government isn't the one who leased the land to them.

(b) Paying the leaseholder if the area they're allowed to mine is reduced.

(c) Setting the guidelines for how this compensation is calculated, who decides on the amount, and how it's determined.

Explanation using Example

Imagine a company, XYZ Mining Corp., which was granted a mining lease for an iron ore mine in 1965. This lease was set to last for 30 years. However, in 1994, when the Mines and Minerals (Regulation and Development) Amendment Act came into effect, XYZ Mining Corp.'s lease was still in operation. According to Section 16(1)(a) of the Mines and Minerals (Development and Regulation) Act, 1957, XYZ Mining Corp. would have been required to bring their lease into conformity with the new provisions of the 1994 Amendment Act within two years, meaning by 1996.

During this adjustment period, XYZ Mining Corp. might have needed to renegotiate terms to comply with new environmental regulations or royalty payments as per the updated Act. If they failed to conform their lease accordingly, they could face penalties or even the termination of their lease.

Furthermore, if XYZ Mining Corp. had any issues with the modifications proposed by the government, they would be entitled to a notice of the changes and an opportunity to show cause against them, as per Section 16(2)(a). Should these modifications result in a reduction of the area they are allowed to

mine, they might be eligible for compensation according to Section 16(2)(b) and (c).

CHAPTER V: SPECIAL POWERS OF CENTRAL GOVERNMENT TO UNDERTAKE PROSPECTING OR MINING OPERATIONS IN CERTAIN CASES

Section 17: Special Powers Of Central Government To Undertake Prospecting Or Mining Operations In Certain Lands

(1) The provisions of this section shall apply in respect of land in which the minerals vest in the Government of a State or any other person.

(2) Notwithstanding anything contained in this Act, the Central Government, after consultation with the State Government, may undertake mineral concession in any area not already held under any mineral concession and where it proposes to do so, it shall, by notification in the Official Gazette:

(a) specify the boundaries of such area;

(b) state whether reconnaissance, prospecting or mining operations will be carried out in the area; and

(c) specify the mineral or minerals in respect of which such operations will be carried out.

(3) Where, in exercise of the powers conferred by sub-section (2), the Central Government undertakes reconnaissance, prospecting or mining operations in any area, the Central Government shall be liable to pay reconnaissance permit fee or prospecting fee royalty, surface rent or dead rent, as the case may be, at the same rate at which it would have been payable under this Act, if such reconnaissance, prospecting or mining operations had been undertaken by a private person under a mineral concession.

(4) The Central Government, with a view to enabling it to exercise the powers conferred on it by sub-section (2) may, after consultation with the State Government, by notification in the Official Gazette, declare that no mineral concession shall be granted in respect of any land specified in the notification.

Simplified Act

(1) This section is about lands where minerals belong to the State Government or someone else.

(2) The Central Government can decide to explore for or extract minerals in areas where no one else has permission to do so. Before doing this, it must:

(a) define the area's limits;

(b) announce what kind of mineral work will be done, like searching, checking, or mining;

(c) name the specific minerals that will be targeted.

(3) If the Central Government starts working on minerals, it must pay fees and rents just like a private company would.

(4) The Central Government can also decide that no private company can look for or mine minerals in certain areas, after talking with the State Government.

Explanation using Example

Imagine a scenario where the government of a particular state in India discovers an area within its territory that has significant deposits of a rare mineral. The minerals under this land vest with the state government. The Central Government, recognizing the strategic importance of this mineral, decides to intervene directly for its exploration and extraction.

Following the procedures laid out in Section 17 of The Mines and Minerals (Development and Regulation) Act, 1957, the Central Government consults with the State Government about its intentions. After consultations, the Central Government issues a notification in the Official Gazette. This notification:

Clearly demarcates the boundaries of the area where the mineral deposits are located;

Declares that mining operations will be carried out in the specified area;

Specifies that the mineral of interest is, for example, lithium, which is critical for manufacturing batteries for electric vehicles.

The Central Government then starts the mining operations. In doing so, it is required to pay the same fees and rents—such as reconnaissance permit fee, prospecting fee, royalty, surface rent, or dead rent—that a private entity would have paid had it been granted a mineral concession for the same purpose.

To ensure that the operations are not hindered by other parties, the Central Government may also issue another notification declaring that no other mineral concessions will be granted for the specified land, effectively barring private entities from mining in that area.

Section 17A: Reservation Of Areas For Purposes Of Conservation

(1) The Central Government, with a view to conserving any mineral and after consultation with the State Government, may reserve any area not already held under any prospecting licence or mining lease and, where it proposes to do so, it shall, by notification in the Official Gazette, specify the boundaries of such area and the mineral or minerals in respect of which such area will be reserved.

(1A) The Central Government may in consultation with the State Government, reserve any area not already held under any prospecting licence or mining lease, for undertaking prospecting or mining operations through a Government company or corporation owned or controlled by it, and where it proposes to do so, it shall, by notification in the Official Gazette, specify the boundaries of such area and the mineral or minerals in respect of which such area will be reserved.

(2) The State Government may, with the approval of the Central Government, reserve any area not already held under any prospecting licence or mining lease, for undertaking prospecting or mining operations through a Government company or corporation owned or controlled by it and where it proposes to do so, it shall, by notification in the Official Gazette, specify the boundaries of such area and the mineral or minerals in respect of which such areas will be reserved.

(2A) Where in exercise of the powers conferred by sub-section (1A) or sub-section (2), the Central Government or the State Government, as the case may be, reserves any area for undertaking prospecting or mining operations or prospecting operations followed by mining operations, the State Government shall grant prospecting licence, mining lease or composite licence, as the case may be, in respect of such area to such Government company or corporation within the period specified in this section:

Provided that in respect of any mineral specified in Part B of the First Schedule, the State Government shall grant the prospecting licence, mining

lease or composite licence, as the case may be, only after obtaining the previous approval of the Central Government.

(2B) Where the Government company or corporation is desirous of carrying out the prospecting operations or mining operations 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.

(2C) A mining lease granted to a Government company or corporation, or a joint venture, referred to in sub-sections (2A) and (2B), shall be granted on payment of such amount as specified in the Fifth Schedule.

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

Explanation For the removal of doubts, it is hereby clarified that all such Government companies or corporations whose mining lease has been granted after the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, shall also pay such additional amount as specified in the Fifth Schedule for the mineral produced after the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2021(10 of 2015).

(3) Where in exercise of the powers conferred by sub-section (1A) or sub-section (2) the Central Government or the State Government, as the case may be, undertakes prospecting or mining operations in any area in which the minerals vest in a private person, it shall be liable to pay prospecting fee, royalty, surface rent or dead rent, as the case may be, from time to time at the same rate at which it would have been payable under this Act if such prospecting or mining operations had been undertaken by a private person under prospecting licence or mining lease.

(4) The reservation made under this section shall lapse in case no mining lease is granted within a period of five years from the date of such reservation:

Provided that where the period of five years from the date of reservation has expired before the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2021 or expires within a period of one year from the date of commencement of the said Act, the reservation

shall lapse in case no mining lease is granted within a period of one year from the date of commencement of the said Act:

Provided further that the State Government may, on an application made by such Government company or corporation or on its own motion, and on being satisfied that it shall not be possible to grant the mining lease within the said period, make an order with reasons in writing, within a period of three months from the date of receipt of such application, to relax such period by a further period not exceeding one year:

Provided also that where the Government company or corporation in whose favour an area has been reserved under this section before the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (10 of 2015), has commenced production from the reserved area without execution of mining lease, such Government company or corporation shall be deemed to have become lessee of the State Government from the date of commencement of mining operations and such deemed lease shall lapse upon execution of the mining lease in accordance with this sub-section or expiry of period of one year from the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2021, whichever is earlier.

(5) The termination or lapse of mining lease shall result in the lapse of the reservation under this section.

Simplified Act

Simplifying Reservation of Areas for Conservation

(1) The Central Government can set aside certain areas to protect minerals. These areas can't already be covered by existing licences or leases. The government will announce this decision and define the area's boundaries and which minerals are protected.

(1A) The Central Government can also reserve areas for government-owned companies to explore or mine. They'll announce and define these areas too.

(2) The State Government can do the same as the Central Government, but they need the Central Government's approval first.

(2A) When the government reserves an area, they must give a licence or lease to a government company within a certain time. For some minerals, the State Government has to get permission from the Central Government first.

(2B) If a government company wants to work with others, they must choose their partners through a competition and own most of the joint venture.

(2C) Government companies or their joint ventures have to pay for their mining lease, with the amount listed in another part of the law. The Central Government can change this amount if they explain why in an announcement.

(3) If the government mines in an area with privately owned minerals, they have to pay fees and rents just like a private miner would.

(4) If no mining lease is given within five years of setting aside an area, the reservation ends. There are some exceptions and extensions possible, especially related to recent law changes.

(5) If a mining lease ends, so does the protection of the area.

Explanation using Example

Example Application of Section 17A of The Mines and Minerals (Development and Regulation) Act, 1957:

Imagine a scenario where the Indian government identifies a region rich in bauxite, an essential mineral for aluminum production. The area is not currently under any prospecting licence or mining lease. To ensure the mineral is conserved and used sustainably, the Central Government, after consulting with the State Government where the region is located, decides to reserve this area exclusively for mining operations by a Government-owned company.

The government then issues a notification in the Official Gazette outlining the specific boundaries of the reserved area and stating that bauxite is the mineral for which the area is being conserved. This action is taken under the provision of subsection (1) of Section 17A.

Consequently, a State Government-owned corporation expresses interest in the bauxite reserves and seeks to obtain a mining lease. The State Government, with the Central Government's approval, reserves the area for this corporation, following subsection (2) of Section 17A, and grants them a mining lease after ensuring compliance with the required competitive process for joint ventures, as mentioned in subsection (2B).

The corporation must then pay the fees specified in the Fifth Schedule of the Act, as per subsection (2C), and commence mining operations within five years to prevent the reservation from lapsing, according to subsection (4).

CHAPTER VI: DEVELOPMENT OF MINERALS

Section 18: Mineral Development

(1) It shall be the duty of the Central Government to take all such steps as may be necessary for the conservation and systematic development of minerals in India and for the protection of environment by preventing or controlling any pollution which may be caused by prospecting or mining operations and for such purposes the Central Government may, by notification in the Official Gazette, make such rules as it thinks fit.

(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:

(a) the opening of new mines and the regulation of mining operations in any area;

(b) the regulation of the excavation or collection of minerals from any mine;

(c) the measures to be taken by owners of mines for the purpose of beneficiation of ores, including the provision of suitable contrivances for such purpose;

(d) the development of mineral resources in any area;

(e) the notification of all new borings and shaft sinkings and the preservation of bore-hole records, and specimens of cores of all new bore-holes;

(f) the regulation of the arrangements for the storage of minerals and the stocks thereof that may be kept by any person;

(g) the submission of samples of minerals from any mine by the owner thereof and the manner in which and the authority to which such samples shall be submitted; and the taking of samples of any minerals from any mine by the State Government or any other authority specified by it in that behalf;

(h) the submission by owners of mines of such special or periodical returns and reports as may be specified, and the form in which and the authority to which such returns and reports shall be submitted;

(i) the regulation of prospecting operations;

- (j) the employment of qualified geologists or mining engineers to supervise prospecting or mining operations;
- (k) the disposal or discharge of waste slime or tailings arising from any mining or metallurgical operations carried out in a mine;
- (l) the manner in which and the authority by which directions may be issued to the owners of any mine to do or refrain from doing certain things in the interest of conservation or systematic development of minerals or for the protection of environment by preventing or controlling pollution which may be caused by prospecting or mining operations;
- (m) the maintenance and submission of such plans, registers or records as may be specified by the Government;
- (n) the submission of records or reports by persons carrying on prospecting or mining operations regarding any research in mining or geology carried out by them;
- (o) the facilities to be afforded by persons carrying out prospecting or mining operations to persons authorised by the Central Government for the purpose of undertaking research or training in matters relating to mining or geology;
- (p) the procedure for and the manner of imposition of fines for the contravention of any of the rules framed under this section and the authority who may impose such fines;
- (q) the authority to which, the period within which, the form and the manner in which applications for revision of any order passed by any authority under this Act and the rules made thereunder may be made, the fee to be paid and the documents which should accompany such applications.

(3) All rules made under this section shall be binding on the Government.

Simplified Act

Simplified Explanation of The Mines and Minerals (Development and Regulation) Act, 1957, Section 18

Part 1: The Central Government is responsible for ensuring that mineral resources in India are conserved and developed in an organized way. It must also protect the environment from pollution caused by mining. To do this, the government can create and publish rules.

Part 2: The rules the government can make include:

Starting new mines and managing mining activities.

Controlling how minerals are dug up or collected from mines.

Requiring mine owners to process ores to get more value from them and provide the necessary equipment for this.

Developing mineral resources in specific areas.

Reporting new drilling activities and preserving records and samples from these drillings.

Managing how minerals are stored and how much someone can have.

Requiring mine owners to provide mineral samples and specifying how and to whom these samples should be given.

Having mine owners send special or regular reports and returns, and specifying the format and recipient of these documents.

Managing how prospecting (searching for minerals) is done.

Requiring mines to have qualified geologists or mining engineers oversee the operations.

Dealing with the waste from mining or processing minerals.

Directing mine owners on how to conserve resources, develop minerals systematically, and prevent pollution.

Keeping and sending specific plans, registers, or records as directed by the government.

Submitting reports on any mining or geological research conducted.

Providing access to people authorized by the government for mining or geological research or training.

Setting the process and authority for imposing fines if rules are not followed.

Detailing how to request a review of any decisions made under this Act, including the fees and necessary documents.

Part 3: All the rules made under this section must be followed by the government as well.

Explanation using Example

Imagine a company, "GreenRock Mining Corp.," plans to open a new mine in a remote area of India. To proceed, they must comply with the regulations set forth by the Central Government under Section 18 of The Mines and Minerals (Development and Regulation) Act, 1957. The company needs to ensure they are taking necessary steps for the conservation and systematic development of minerals and also protecting the environment.

Before they begin, GreenRock Mining Corp. must adhere to rules made by the Central Government regarding:

The procedure for opening new mines and conducting mining operations in the area.

Ensuring that the excavation of minerals is regulated to prevent over-extraction.

Implementing measures for the beneficiation of ores, which may include installing specific equipment.

Notifying the authorities about any new drilling activities and preserving records of these activities.

Regulating how minerals are stored and keeping a record of their inventory.

Providing mineral samples from the mine for analysis by the specified authority.

Submitting regular reports on their mining operations and any research in mining or geology they conduct.

Allowing authorized persons to conduct research or training in mining or geology at the mine site.

Following the procedure for the imposition of fines if they violate any rules.

If GreenRock Mining Corp. fails to comply with these rules, they may face fines or other penalties as determined by the authority. All of these rules are binding on the government as well, ensuring a uniform standard for mining operations across the country.

Section 18A: Power To Authorise Geological Survey Of India, Etc, To Make Investigation

(1) Where the Central Government is of opinion that for the conservation and development of minerals in India, it is necessary to collect as precise information as possible with regard to any mineral available in or under any land in relation to which any prospecting licence or mining lease has been granted, whether by the State Government or by any other person, the Central Government may authorise the Geological Survey of India, or such other authority or agency as it may specify in this behalf, to carry out such detailed investigations for the purpose of obtaining such information as may be necessary: Provided that in the cases of prospecting licences or mining leases granted by a State Government, no such authorisation shall be made except after consultation with the State Government.

(2) On the issue of any authorisation under sub-section (1), it shall be lawful for the Geological Survey of India or the specified authority or agency, and its servants and workmen -

(a) to enter upon such land,

(b) to dig or bore into the sub-soil,

(c) to do all other acts necessary to determine the extent of any mineral available in or under such land,

(d) to set out boundaries of the land in which any mineral is expected to be found,

(e) to mark such boundaries and line by placing marks,

(f) where otherwise the survey cannot be completed on the boundaries and line marked, to cut down and clear away any part of any standing crop, fence or jungle: Provided that no such authority or agency shall enter into any building or upon any enclosed court or garden attached to a dwelling-house (except with the consent of the occupier thereof) without previously giving such occupier at least seven days' notice in writing of its intention to do so.

(3) Whenever any action of the nature specified in sub-section (2) is to be taken, the Central Government shall, before or at the time when such action is taken, pay or tender payment for all necessary damage which is likely to be caused, and in case of dispute as to the sufficiency of the amount so paid or tendered or as to the person to whom it should be paid or tendered, the Central

Government shall refer the dispute to the principal civil court of original jurisdiction having jurisdiction over the land in question.

(4) The fact that there exists any such dispute as is referred to in sub-section (3) shall not be a bar to the taking of any action under sub-section (2).

(5) After the completion of the investigation, the Geological Survey of India or the specified authority or agency by which the investigation was made shall submit to the Central Government a detailed report indicating therein the extent and nature of any mineral which lies deposited in or under the land.

(6) The costs of the investigation made under this section shall be borne by the Central Government: Provided that where the State Government or other person in whom the minerals are vested or the holder of any prospecting licence or mining lease applies to the Central Government to furnish to it or him a copy of the report submitted under sub-section (5), that State Government or other person or the holder of a prospecting licence or mining lease, as the case may be, shall bear such reasonable part of the costs of investigation as the Central Government may specify in this behalf and shall, on payment of such part of the costs of investigation, be entitled to receive from the Central Government a true copy of the report submitted to it under sub-section (5).

Simplified Act

Simplified Explanation of Section 18A of The Mines and Minerals (Development and Regulation) Act, 1957

Authority for Geological Surveys

(1) If the Indian government thinks it's important to know exactly what minerals are present in lands with prospecting licenses or mining leases, it can allow the Geological Survey of India or another chosen organization to investigate thoroughly. However, if a state government has granted these licenses or leases, the central government must discuss this with them before giving such permission.

(2) Once authorized, the Geological Survey of India or the chosen organization can:

(a) enter the land,

(b) drill or dig into the ground,

- (c) perform necessary actions to figure out how much mineral there is,
 - (d) mark the boundaries of the area where they expect to find minerals,
 - (e) place marks to show these boundaries,
 - (f) if needed for the survey, clear crops, fences, or vegetation. They can't enter someone's home or attached yard without the occupant's okay unless they've given the occupant a 7-day written notice.
- (3) The government must pay for any damage likely to happen because of the survey before or when they start. If there's an argument about how much should be paid or who should get the money, the government will take the issue to the local main civil court.
- (4) Even if there's a dispute about payments for damages, the survey can still happen.
- (5) After the survey, the investigating group must give the government a detailed report about the minerals found.
- (6) The government will pay for the investigation. But if a state government, mineral owner, or license/lease holder asks for a copy of the report, they must pay a reasonable part of the investigation costs. Once they pay, they'll get a copy of the report.

Explanation using Example

Imagine a scenario where the Central Government of India decides that in order to better manage the country's mineral resources, it needs to obtain detailed information about the mineral deposits in a particular region where mining leases have already been granted. To achieve this, the government invokes Section 18A of The Mines and Minerals (Development and Regulation) Act, 1957.

Under this section, the government authorizes the Geological Survey of India (GSI) to conduct an extensive survey and investigation of the land. The GSI is given the legal right to enter the land, drill into the soil, and carry out all necessary activities to ascertain the quantity and quality of the minerals present.

During the survey, the GSI plans to cut down a portion of the jungle to get a clearer view of the land's subsoil. Before doing so, they provide a seven-day written notice to the occupier of the land, explaining their intentions, as

required by the law. Additionally, they tender payment for any damage that their activities are likely to cause to the property, crops, or fences.

Despite a dispute arising over the sufficiency of the compensation offered, the GSI proceeds with their work, as the existence of the dispute does not prevent them from carrying out their survey under subsection (4) of Section 18A. Meanwhile, the dispute over compensation is referred to the principal civil court for resolution.

Upon completion of the investigation, the GSI prepares a detailed report for the Central Government, outlining the extent and nature of the mineral resources found. The costs of this investigation are initially borne by the Central Government, but if the State Government or the mining leaseholder requests a copy of the report, they must pay a reasonable share of the investigation costs as specified by the Central Government.

CHAPTER VII: MISCELLANEOUS

Section 19: Prospecting Licences And Mining Leases To Be Void If In Contravention Of Act

Any mineral concession granted, renewed or acquired in contravention of the provisions of this Act or any rules or orders made thereunder shall be void and of no effect.

Explanation: Where a person has acquired more than one mineral concession and the aggregate area covered by such permits, licences or leases, as the case may be, exceeds the maximum area permissible under section 6, only that mineral concession the acquisition of which has resulted in such maximum area being exceeded shall be deemed to be void.

Simplified Act

If someone gets, renews, or takes over a mineral right in a way that breaks the rules of this law, or any related rules or orders, then that mineral right is not valid and has no legal power.

Simplified Explanation: If a person ends up holding more than one mineral right and the total area of these rights is more than the law allows, then only the most recent mineral right that caused the total area to go over the limit will be considered invalid.

Explanation using Example

Consider a scenario where a company, RockMining Corp., applies for and is granted a mining lease for an area of 50 square kilometers in State X for extracting iron ore. Later on, the company also acquires another mining lease for 30 square kilometers in the same state through a subsidiary. According to the Mines and Minerals (Development and Regulation) Act, 1957, there is a ceiling on the maximum area for which a single entity can hold mining leases.

If the total permissible area is, for example, 70 square kilometers and the acquisition of the second lease brings the total area held by RockMining Corp. and its subsidiary to 80 square kilometers, the second lease that caused the limit to be exceeded would be deemed void according to Section 19 of the Act. This means the 30 square kilometer lease held by the subsidiary would be of no effect, as it violates the Act's provisions.

Section 20: Act And Rules To Apply To All Renewals Of Prospecting Licences And Mining Leases

The provisions of this Act and the rules made thereunder shall apply in relation to the renewal after the commencement of this Act of any prospecting licence or mining lease granted before such commencement as they apply in relation to the renewal of a prospecting licence or mining lease granted after such commencement.

Simplified Act

This law and its associated rules are equally applicable to the renewal of any searching or mining permits that were granted before this law started as they are to the renewal of similar permits granted after the law came into effect.

Explanation using Example

Imagine a company, "XYZ Mining Corp," which was granted a mining lease for iron ore extraction in 1955. The lease is set to expire in 2025, and the company wishes to renew it. According to Section 20 of The Mines and Minerals (Development and Regulation) Act, 1957, when XYZ Mining Corp applies for the renewal of its lease in 2025, the application will be governed by the same laws and rules that apply to new leases granted after the Act came into force. This means that despite the original lease being granted before the Act's

commencement, the renewal process will adhere to the current legal framework established by the Act and any associated rules.

Section 20A: Power Of Central Government To Issue Directions

(1) Notwithstanding anything contained in this Act, the Central Government may issue such directions to the State Governments, as may be required for the conservation of mineral resources, or on any policy matter in the national interest, and for the scientific and sustainable development and exploitation of mineral resources.

(2) In particular, and without prejudice to the generality of the foregoing powers, the Central Government may also issue directions in respect of the following matters, namely:

- (i) improvement in procedure for grant of mineral concessions and to ensure co-ordination among agencies entrusted with according statutory clearances;
- (ii) maintenance of internet-based databases including development and operation of a mining tenement system;
- (iii) implementation and evaluation of sustainable development frameworks;
- (iv) reduction in waste generation and related waste management practices and promotion of recycling of materials;
- (v) minimising and mitigating adverse environmental impacts particularly in respect of ground water, air, ambient noise and land;
- (vi) ensuring minimal ecological disturbance, in terms of bio-diversity, flora, fauna and habitat;
- (vii) promoting restoration and reclamation activities so as to make optimal use of mined out land for the benefit of the local communities;
- (viii) such other matters as may be necessary for the purposes of implementation of this Act.

Simplified Act

Simplified Explanation of Section 20A of The Mines and Minerals (Development and Regulation) Act, 1957

(1) Even if other parts of this law say something different, the Central Government has the power to tell State Governments what to do to make sure minerals are conserved, to follow important national policies, and to make sure that mineral resources are developed and used in a way that is scientific and doesn't harm future use.

(2) More specifically, the Central Government can give instructions about:

(i) Making the process of getting permission to mine better and making sure different government departments work together properly;

(ii) Keeping records of mining permissions and operations online, including the development and use of a system to track mining rights;

(iii) Putting into action and checking how well plans for sustainable development are working;

(iv) Trying to produce less waste from mining and managing it better, as well as encouraging the reuse of materials;

(v) Reducing harm to the environment, especially to water underground, air, noise around us, and the land;

(vi) Making sure that the impact on ecosystems, including different kinds of plants, animals, and their habitats, is as small as possible;

(vii) Supporting the repair and reuse of land that has been mined, for the good of local communities;

(viii) Any other issues that need to be addressed to make sure this law is carried out properly.

Explanation using Example

Imagine a scenario where the Central Government has identified that in a particular state, the process of granting mining leases is causing significant delays due to bureaucratic hurdles. As a result, the exploitation of mineral resources is not aligning with the national interest of economic growth and development.

In response, under Section 20A of The Mines and Minerals (Development and Regulation) Act, 1957, the Central Government issues a directive to the state government to streamline the procedure for the grant of mineral concessions. This directive may include the introduction of a single-window clearance

system to ensure coordination among various agencies responsible for providing statutory clearances, thereby reducing the time taken to grant mining leases.

The directive may also require the state to maintain an internet-based database and develop a mining tenement system to track applications and leases, which will improve transparency and efficiency in the mining sector.

Section 21: Penalties

(1) Whoever contravenes the provisions of sub-section (1) or sub-section (1A) of section 4 shall be punishable with imprisonment for a term which may extend to five years and with fine which may extend to five lakh rupees per hectare of the area.

(2) Any rule made under any provision of this Act may provide that any contravention thereof shall be punishable with imprisonment for a term which may extend to two years or with fine which may extend to five lakh rupees, or with both, and in the case of a continuing contravention, with additional fine which may extend to fifty thousand rupees for every day during which such contravention continues after conviction for the first such contravention.

(3) Where any person trespasses into any land in contravention of the provisions of sub-section (1) of section 4, such trespasser may be served with an order of eviction by the State Government or any authority authorised in this behalf by that Government and the State Government or such authorised authority may, if necessary, obtain the help of the police to evict the trespasser from the land.

(4) Whenever any person raises, transports or causes to be raised or transported, without any lawful authority, any mineral from any land, and, for that purpose, uses any tool, equipment, vehicle or any other thing, such mineral tool, equipment, vehicle or any other thing shall be liable to be seized by an officer or authority specially empowered in this behalf.

(4A) Any mineral, tool, equipment, vehicle or any other thing seized under sub-section (4), shall be liable to be confiscated by an order of the court competent to take cognizance of the offence under sub-section (1) and shall be disposed of in accordance with the directions of such court.

(5) Whenever any person raises, without any lawful authority, any mineral from any land, the State Government may recover from such person the mineral so raised, or, where such mineral has already been disposed of, the price thereof, and may also recover from such person, rent, royalty or tax, as the case may be, for the period during which the land was occupied by such person without any lawful authority.

(6) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), an offence under sub-section (1) shall be cognizable.

Simplified Act

(1) If someone breaks the rules mentioned in section 4, subsections (1) or (1A), they could go to jail for up to five years and be fined up to 5 lakh rupees for each hectare of land involved.

(2) If someone breaks any rules set by this law, they could face up to two years in jail or a fine up to 5 lakh rupees, or both. If they keep breaking the rule after being caught, they could be fined an extra 50,000 rupees for each day the rule is broken.

(3) If someone goes onto land they're not supposed to (as described in section 4, subsection (1)), the government or someone they choose can tell them to leave. If needed, the police can help make sure the person leaves the land.

(4) If someone takes minerals from land without permission and uses tools, equipment, vehicles, or anything else to do so, those items can be taken away by someone who is given the power to do so.

(4A) Anything taken away because someone took minerals without permission (as in subsection (4)) can be officially taken by the court and will be handled as the court says.

(5) If someone takes minerals from land without permission, the government can make them give the minerals back or, if the minerals have been sold, pay the price they sold them for. The person can also be made to pay rent, royalty, or tax for the time they used the land without permission.

(6) Unlike other crimes, the police can arrest someone without a warrant if they break the rule in subsection (1).

Explanation using Example

Imagine a company, XYZ Mining Corp., that begins extracting iron ore from a piece of land without the necessary mining lease as required by Section 4 of the Mines and Minerals (Development and Regulation) Act, 1957. The area of unauthorized mining is 2 hectares. Upon discovery of this illegal activity, the company is charged under Section 21(1) of the Act. XYZ Mining Corp. is then convicted and the court sentences the responsible individuals to a term of imprisonment and imposes a fine of ₹10 lakh (₹5 lakh per hectare for the 2 hectares involved).

Section 22: Cognizance Of Offences

No court shall take cognizance of any offence punishable under this Act or any rules made thereunder except upon complaint in writing made by a person authorised in this behalf by the Central Government or the State Government.

Simplified Act

Section 22 Simplified: A court cannot address or take action on any crime related to this mining law or its rules unless someone who has permission from the Indian Central or State Government writes a formal complaint about it.

Explanation using Example

Imagine a local mining company has been conducting unauthorized mining activities in a region. A nearby resident, Mr. Sharma, notices the illegal operation and decides to report it to the authorities. Despite Mr. Sharma's concerns, he cannot directly file a complaint with the court regarding the offence under the Mines and Minerals (Development and Regulation) Act, 1957. Instead, he must report the violation to the appropriate government authorities. Once informed, only an authorized person from the Central or State Government can make a written complaint to the court to initiate legal proceedings against the mining company for the offence under the Act. This ensures that the court only entertains cases that have been vetted and brought forward by the designated government officials.

Section 23: Offences By Companies

(1) If the person committing an offence under this Act or any rules made thereunder is a company, every person who at the time the offence was

committed was in charge of, and was responsible to the company for the conduct of the business of the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly: Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed with the consent or connivance of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation - For the purposes of this section, -

(a) "company" means any body corporate and includes a firm or other association of individuals;

(b) "director" in relation to a firm means a partner in the firm.

Simplified Act

Simplified Explanation:

(1) If a company breaks the law under The Mines and Minerals (Development and Regulation) Act, 1957, or the rules made under it, then the individuals who were in charge of the company at the time and responsible for its operations are considered to have committed the offence too. They can be legally pursued and punished. However, if a person can show that they didn't know about the offence or that they tried everything they could to stop it from happening, then they won't be punished.

(2) Even if what is said in (1) is true, if the offence was committed because a high-level company official such as a director, manager, secretary, or similar officer allowed it to happen or ignored it, then that specific official is also guilty of the offence and can face legal action and punishment.

Definitions:

(a) "company" is any organized group that's recognized as a legal entity. This includes partnerships and other groups of people working together.

(b) "director" when we're talking about a partnership, refers to a partner in that partnership.

Explanation using Example

Imagine a scenario where XYZ Mining Corp, a company engaged in iron ore mining, is found to be mining in an area without the required government permits, which is an offence under The Mines and Minerals (Development and Regulation) Act, 1957. Upon investigation, it is discovered that the company's operations manager, Mr. John, was in charge of the site and had instructed his team to commence mining despite knowing that the permits had not been obtained.

In this case, under Section 23(1) of the Act, Mr. John would be deemed to be guilty of the offence, as he was responsible for the conduct of the business at the time the offence was committed. He could be prosecuted and punished for the violation, unless he can prove that he was not aware of the offence or had taken all necessary steps to prevent it.

Additionally, if it is found that the company's director, Ms. Smith, had explicitly instructed Mr. John to proceed with mining, knowing that the permits were not in place, then under Section 23(2), Ms. Smith would also be deemed to be guilty and could face legal action for her role in consenting to or conniving in the commission of the offence.

Section 23A: Compounding Of Offences

(1) Any offence punishable under this Act or any rule made thereunder may, either before or after the institution of the prosecution, be compounded by the person authorised under section 22 to make a complaint to the court with respect to that offence, on payment to that person, for credit to the Government, of such sum as that person may specify: Provided that in the case of an offence punishable with fine only, no such sum shall exceed the maximum amount of fine which may be imposed for that offence.

(2) Where an offence is compounded under sub-section (1), no proceeding or further proceeding, as the case may be, shall be taken against the offender in respect of the offence so compounded, and the offender, if in custody, shall be released forthwith.

Simplified Act

Simplified Explanation of Section 23A - Compounding of Offences

(1) If someone breaks a law or rule under the Mines and Minerals (Development and Regulation) Act, 1957, they can settle the matter without going to court. This can happen before or after legal action has started. The person who has the authority to take the issue to court can agree to settle. The person who broke the law must pay a certain amount of money as decided by the authorized person. This money goes to the Government. But if the law was broken in a way that only requires a fine, the settlement amount can't be more than the biggest fine that could be given for that offence.

(2) Once the offence is settled in this way, no more legal actions can be taken against the person who committed it. If they are in jail, they must be let go immediately.

Explanation using Example

Imagine a mining company has violated some minor safety regulations under the Mines and Minerals (Development and Regulation) Act, 1957. Instead of going through a lengthy court process, the company is given the option to compound the offence by paying a specified sum directly to the government, as long as the sum does not exceed the maximum fine that could be imposed for the offence. Once the company pays this amount, no further legal proceedings are carried out against them for this particular violation, and if any company representative was in custody, they would be released immediately.

Section 23B: Power To Search

If any gazetted officer of the Central or a State Government authorised by the Central Government or a State Government, as the case may be, in this behalf by general or special order has reason to believe that any mineral has been raised in contravention of the provisions of this Act or rules made thereunder or any document or thing in relation to such mineral is secreted in any place or vehicle, he may search for such mineral, document or thing and the provisions of section 100 of the Code of Criminal Procedure, 1973 (2 of 1974), shall apply to every such search.

Simplified Act

Simplified Explanation of Power to Search:

If an officer with a high rank (gazetted officer) from the Indian Central or State Government has been given authority by either of these governments to act on their behalf, and if this officer believes that someone has illegally extracted minerals against the rules of The Mines and Minerals (Development and Regulation) Act, 1957, or if they think that any records or items related to this illegal activity are hidden in any place or in a vehicle, then the officer has the power to search for these minerals, records, or items. When they conduct the search, they must follow the rules laid out in section 100 of the Code of Criminal Procedure from the year 1973.

Explanation using Example

Imagine a scenario where a government officer, who is authorized by the state government, receives a tip that a local mining company has been illegally extracting minerals without the required permits. Acting on this information, the officer believes that the company has hidden these unlawfully mined minerals within their storage facility. Invoking the power granted by Section 23B of The Mines and Minerals (Development and Regulation) Act, 1957, the officer proceeds to search the premises. In doing so, the officer follows the procedure outlined in section 100 of the Code of Criminal Procedure, 1973, ensuring the search is conducted legally and any evidence found can be used in court proceedings against the company for violating mining regulations.

Section 23C: Power Of State Government To Make Rules For Preventing Illegal Mining, Transportation And Storage Of Minerals

(1) The State Government may, by notification in the Official Gazette, make rules for preventing illegal mining, transportation and storage of minerals and for the purposes connected therewith.

(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:

(a) establishment of check-posts for checking of minerals under transit;

(b) establishment of weigh-bridges to measure the quantity of mineral being transported;

(c) regulation of mineral being transported from the area granted under a prospecting licence or a mining lease or a quarrying licence or a permit, in whatever name the permission to excavate minerals, has been given;

(d) inspection, checking and search of minerals at the place of excavation or storage or during transit;

(e) maintenance of registers and forms for the purposes of these rules;

(f) the period within which and the authority to which applications for revision of any order passed by any authority be preferred under any rule made under this section and the fees to be paid therefor and powers of such authority for disposing of such applications;

(g) any other matter which is required to be, or may be, prescribed for the purpose of prevention of illegal mining, transportation and storage of minerals.

(3) Notwithstanding anything contained in section 30, the Central Government shall have no power to revise any order passed by a State Government or any of its authorised officers or any authority under the rules made under sub-sections (1) and (2).

Simplified Act

Simple Explanation of State Government's Authority to Stop Illegal Mining Activities

The State Government has the power to create rules to stop illegal mining, moving, and storing of minerals. They announce these rules through an official government publication.

These rules may include:

Setting up checkpoints to inspect minerals being transported;

Installing scales to weigh the amount of mineral in transport;

Controlling how minerals are moved from mining and excavation sites;

Inspecting and checking minerals at the mining site, storage, or while being moved;

Keeping official records and forms related to these rules;

Setting a time frame and authority for reviewing decisions made under these rules, including any fees and the process for handling reviews;

Addressing any other issues necessary to prevent illegal mining activities.

Despite other laws, the Central Government cannot change any decisions made by the State Government or its officials regarding these rules.

Explanation using Example

Imagine a scenario where the government of a state in India has identified a rise in illegal mining activities within its jurisdiction. To tackle this, the State Government decides to exercise its powers under Section 23C of The Mines and Minerals (Development and Regulation) Act, 1957. They issue a notification in the Official Gazette to establish new rules aimed at curbing these activities.

Under these new rules:

Check-posts are set up at key exit points of mining areas to inspect and verify the minerals being transported, ensuring they are legally acquired and properly documented.

Weigh-bridges are installed near mining sites to accurately measure the quantity of minerals before they are transported, preventing the over-extraction of resources.

Transportation of minerals is strictly regulated, requiring transporters to carry permits that prove the minerals come from a legally sanctioned source.

Authorities conduct random inspections at excavation sites, storage facilities, and during the transit of minerals to check for compliance with mining regulations.

Miners and transporters are required to maintain detailed registers and forms, as specified by the new rules, to log their activities and mineral transactions.

Any grievances or appeals against the orders of the authorized officers must be filed within a specified period, to a designated authority, along with the stipulated fees.

Additional measures are introduced as needed to strengthen the enforcement of these rules and to further prevent illegal mining, transportation, and storage of minerals.

It's important to note that, as per sub-section (3) of Section 23C, the Central Government cannot revise any orders made by the State Government or its officers under these rules, ensuring that the state has the final say in matters related to illegal mining within its borders.

Section 24: Power Of Entry And Inspection

(1) For the purpose of ascertaining the position of the working, actual or prospective, of any mine or abandoned mine or for any other purpose connected with this Act or the rules made thereunder, any person authorised by the Central Government or a State Government in this behalf, by general order, may -

enter and inspect any mine;

survey and take measurements in any such mine;

weigh, measure or take measurements of the stocks of minerals lying at any mine;

examine any document, book, register, or record in the possession or power of any person having the control of, or connected with, any mine and place marks of identification thereon, and take extracts from or make copies of such document, book, register or record;

order the production of any such document, book, register, record, as is referred to in clause (d);

examine any person having the control of, or connected with, any mine.

(2) Every person authorised by the Central Government or a State Government under sub-section (1) shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code, and every person to whom an order or summons is issued by virtue of the powers conferred by clause (e) or clause (f) of that sub-section shall be legally bound to comply with such order or summons, as the case may be.

Simplified Act

(1) To check on the current or future operations of any mine, or for any other reasons related to this law or its rules, someone allowed by the Indian Central or State Government can:

Go into and check any mine.

Carry out surveys and measurements in any mine.

Weigh and measure the stockpile of minerals at any mine.

Look at any documents or records related to the mine, mark them for identification, and make copies or summaries.

Ask for these documents or records to be shown to them.

Question anyone in charge of, or associated with, the mine.

(2) Anyone given this authority by the Central or State Government is considered a public servant under the Indian Penal Code. Anyone receiving orders or a summons must follow them, as required by law.

Explanation using Example

Imagine a scenario where the government wants to ensure that a particular mining company is not extracting minerals beyond what is permitted under their mining license. The Central Government suspects that the mine has exceeded its quota and is potentially causing environmental damage due to over-extraction.

To investigate, the government authorizes an official to inspect the mine. This official is empowered by Section 24 of The Mines and Minerals (Development and Regulation) Act, 1957 to:

Enter the mining site and inspect the mine's workings.

Conduct a survey and take measurements to determine the extent of mining activities.

Measure the stockpile of minerals to check if it aligns with the reported figures.

Review and copy relevant documents, such as mining logs and export records, to ensure compliance with mining regulations.

Question the mine manager and other key personnel about the mining operations.

The mining company is legally obligated to comply with the official's requests for information and access, as refusal or non-compliance could lead to legal consequences under the Act.

Section 24A: Rights And Liabilities Of A Holder Of Prospecting Licence Or Mining Lease

(1) On the issue of a mineral concession under this Act and the rules made thereunder, it shall be lawful for the holder of such permit, licence or lease, his agents or his servants or workmen to enter the lands over which such permit, lease or licence had been granted at all times during its currency and carry out all such reconnaissance, prospecting or mining operations as may be prescribed: Provided that no person shall enter into any building or upon an enclosed court or garden attached to a dwelling-house (except with the consent of the occupier thereof) without previously giving such occupier at least seven days' notice in writing of his intention to do so.

(2) The holder of a mineral concession referred to in sub-section (1) shall be liable to pay compensation in such manner as may be prescribed to the occupier of the surface of the land granted under such permit, licence or lease for any loss or damage which is likely to arise or has arisen from or in consequence of the reconnaissance, mining or prospecting operations.

(3) The amount of compensation payable under sub-section (2) shall be determined by the State Government in the manner prescribed.

Simplified Act

Explanation of Rights and Responsibilities for Mineral Exploration and Mining

(1) When someone is given permission by the government to explore or mine minerals, they can enter the land that the permission covers anytime while the permission is valid. They can do exploration or mining as allowed by the rules. However, they can't just walk into someone's house, yard, or garden without asking. If they need to enter these private areas, they must tell the owner in writing at least seven days before they plan to do so.

(2) If the exploration or mining causes any harm or loss to the land's surface, the person or company with the mining rights must pay the landowner for the damage. The way this compensation is calculated is set by the rules.

(3) The local government decides how much money should be paid for any damage caused, following the rules that have been established.

Explanation using Example

Example Application of Section 24A of The Mines and Minerals (Development and Regulation) Act, 1957

Imagine a company, XYZ Mining Corp, has been granted a mining lease for bauxite in a particular area. Under Section 24A of the Act, XYZ Mining Corp now has the legal right to enter the land covered by the lease and carry out mining operations.

However, there is a farmhouse located on the land with an attached garden. Before XYZ Mining Corp can enter the garden area for their operations, they must give the occupant of the farmhouse seven days' written notice, as they cannot enter the garden without the occupant's consent.

During their mining operations, XYZ Mining Corp accidentally damages the farmhouse's fencing and some crops. As per Section 24A(2), XYZ Mining Corp is liable to compensate the occupant for the damage caused by their operations. The compensation amount will be determined by the State Government as prescribed in the Act.

Section 25: Recovery Of Certain Sums As Arrears Of Land Revenue

(1) Any rent, royalty, tax, fee or other sum due to the Government under this Act or the rules made thereunder or under the terms and conditions of any reconnaissance permit, prospecting licence or mining lease may, on a certificate of such officer as may be specified by the State Government in this behalf by general or special order, be recovered in the same manner as an arrear of land revenue.

(2) Any rent, royalty, tax, fee or other sum due to the Government either under this Act or any rule made thereunder or under the terms and conditions of any reconnaissance permit, prospecting licence or mining lease may, on a certificate of such officer as may be specified by the State Government in this behalf by general or special order, be recovered in the same manner as if it were an arrear of land revenue and every such sum which becomes due to the Government after the commencement of the Mines and Minerals (Regulation and Development) Amendment Act, 1972 (56 of 1972), together with the interest due thereon shall be a first charge on the assets of the holder of the reconnaissance permit, prospecting licence or mining lease, as the case may be.

Simplified Act

(1) If you owe any money to the government for things like rent, royalties, taxes, fees, or other charges related to mining permits, licenses, or leases

under this law, the government can collect this money from you in the same way it collects overdue property taxes. This can happen if a government officer, who is appointed to handle such matters, issues a certificate stating you owe the money.

(2) Similarly, if you owe the government any money for the same reasons mentioned above, it can be collected as if it were overdue property taxes. Additionally, if you start owing this money after the Mines and Minerals (Regulation and Development) Amendment Act of 1972 began, this debt, including any interest on it, must be paid before any other claims on your property. This means the government's claim to the money you owe takes priority over other debts, and they can claim it from the value of your mining permits, licenses, or leases.

Explanation using Example

Imagine a mining company, "RockExtract Co.," which holds a mining lease for extracting iron ore in a particular state. As per the lease agreement and relevant mining regulations, they are required to pay a certain amount of royalty to the state government every quarter based on the volume of ore extracted.

However, RockExtract Co. falls behind on these payments for two consecutive quarters. According to Section 25 of The Mines and Minerals (Development and Regulation) Act, 1957, the unpaid royalty is considered a debt owed to the government. The state government appoints a specified officer to issue a certificate stating the amount due.

Once the certificate is issued, the state government can recover the unpaid royalty in the same manner as they would recover overdue land revenue. This means that the government could potentially take measures such as seizing and auctioning off RockExtract Co.'s assets to recover the debt. Furthermore, the debt owed to the government, including any interest accrued, would take precedence over other claims and would be considered a first charge on the assets of RockExtract Co.

Section 26: Delegation Of Powers

(1) The Central Government may, by notification in the Official Gazette, direct that any power exercisable by it under this Act may, in relation to such matters

and subject to such conditions, if any, as may be specified in the notification be exercisable also by -

- (a) such officer or authority subordinate to the Central Government; or
- (b) such State Government or such officer or authority subordinate to a State Government, as may be specified in the notification.

(2) The State Government may, by notification in the Official Gazette, direct that any power exercisable by it under this Act may, in relation to such matters and subject to such conditions, if any, as may be specified in the notification, be exercisable also by such officer or authority subordinate to the State Government as may be specified in the notification.

(3) Any rules made by the Central Government under this Act may confer powers and impose duties or authorise the conferring of powers and imposition of duties upon any State Government or any officer or authority subordinate thereto.

Simplified Act

(1) The Central Government has the authority to announce through an official publication that some of the powers it has under this law can also be given to:

- (a) an officer or department that works under the Central Government; or
- (b) a State Government or an officer or department that works under a State Government, as named in the announcement.

(2) Similarly, a State Government can announce that its powers under this law can be shared with an officer or department working under it. This will be specified in the official publication, along with any conditions that might apply.

(3) Furthermore, any rules the Central Government makes under this law can give powers to, or put responsibilities on, a State Government or its officers or departments.

Explanation using Example

Imagine a scenario where the Central Government has decided that the process of granting mining leases for particular minor minerals needs to be expedited to meet the increasing demand for construction materials. Under Section 26(1) of The Mines and Minerals (Development and Regulation) Act, 1957, the Central Government issues a notification in the Official Gazette. This

notification empowers a specific officer in the Ministry of Mines to also exercise the powers of the Central Government in granting these leases, subject to certain conditions laid out in the notification.

In another instance, a State Government recognizes the need to streamline the inspection of mines for safety compliance. Utilizing Section 26(2), the State Government publishes a notification in the Official Gazette that delegates its inspection powers under the Act to a designated officer within the State's mining department. This officer is now responsible for ensuring safety protocols are followed in mines, as per the conditions specified in the notification.

Lastly, consider the Central Government making new rules under the Act that require State Governments to monitor the environmental impact of mining activities. Section 26(3) allows these new rules to authorize State Governments or their subordinate officers to oversee this environmental monitoring and enforce compliance with these rules.

Section 27: Protection Of Action Taken In Good Faith

No suit, prosecution or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act.

Simplified Act

Section 27 Simplified: You can't take legal action against anyone for actions taken in good faith (with honest intentions) if they were following the rules of this law (The Mines and Minerals (Development and Regulation) Act, 1957).

Explanation using Example

Imagine a government officer who is responsible for overseeing mining activities. The officer orders the closure of a mine that is operating without a valid license, in accordance with the provisions of The Mines and Minerals (Development and Regulation) Act, 1957. The mine owner decides to sue the officer for loss of income. However, under Section 27 of the Act, the officer is protected from such legal action because the closure of the mine was a measure taken in good faith to enforce the law. Therefore, the court would likely dismiss the lawsuit against the officer.

Section 28: Rules And Notifications To Be Laid Before Parliament And Certain Rules To Be Approved By Parliament

(1) Every rule and every notification made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or notification or both Houses agree that the rule or notification should not be made, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

(2) Without prejudice to the generality of the rule making power vested in the Central Government, no rules made with reference to clause (c) of sub-section (2) of section 16 shall come into force until they have been approved, whether with or without modifications, by each House of Parliament.

(3) Every rule and every notification made by the State Government under this Act shall be laid, as soon as may be after it is made, before each House of the State Legislature where it consists of two Houses, or where such Legislature consists one House, before that House.

Simplified Act

(1) When the Central Government makes a new rule or announces something officially (a notification) under this law, it must present this information to both houses of the Indian Parliament as soon as possible. This must be done while Parliament is in session and for at least 30 days. These 30 days can be spread out over one session or several sessions in a row. If both houses of Parliament decide during the session that follows, or during these successive sessions, that they want to change the rule or notification, or that they don't want it at all, then the rule or notification will only be used in the changed way or not used at all. However, this decision won't affect anything that was already done under that rule or notification before the change or cancellation.

(2) The Central Government has the power to make rules, but any rules that are made about a specific clause (clause (c) of subsection (2) of section 16) cannot be enforced until both houses of Parliament have agreed to them, with or without changes.

(3) Similarly, when the State Government makes a new rule or an official announcement under this law, it must be presented to the state legislature as soon as possible. If the state legislature has two houses, it must be shown to both houses. If there's only one house, then it must be presented to that single house.

Explanation using Example

Imagine the Central Government issues a new notification under The Mines and Minerals (Development and Regulation) Act, 1957, which changes the guidelines for the auction of mining leases. As per Section 28(1), this new notification must be presented to both the Lok Sabha and the Rajya Sabha while they are in session. Lawmakers have a total of thirty days, which can span across one or multiple sessions, to review the notification. If both Houses decide, within the time limit, that changes are needed or that the notification should not be implemented, it will only take effect in the revised form or not at all, depending on the decision. This ensures that any new rule or notification is subject to parliamentary oversight and can be modified or rejected by the elected representatives.

Additionally, if the Central Government makes rules concerning the grant of mineral concessions, as referenced in clause (c) of sub-section (2) of section 16, such rules, as indicated in Section 28(2), cannot be enforced until both Houses of Parliament have approved them. This provides an extra layer of scrutiny for rules that could significantly impact the mining sector.

Similarly, if the State Government formulates a rule or notification under the Act, like setting state-specific regulations for minor minerals, Section 28(3) mandates that these must be laid before the state legislative assembly or both houses if the state has a bicameral legislature. This ensures that state-level rules and notifications are also subject to legislative review.

Section 29: Existing Rules To Continue

All rules made or purporting to have been made under the Mines and Minerals (Regulation and Development) Act, 1948 (53 of 1948), shall, insofar as they relate to matters for which provision is made in this Act and are not inconsistent therewith, be deemed to have been made under this Act as if this Act had been in force on the date on which such rules were made and shall

continue in force unless and until they are superseded by any rules made under this Act.

Simplified Act

Any rules that were created under the Mines and Minerals (Regulation and Development) Act of 1948 will still be valid if they are about topics covered in this new Act and if they don't conflict with it. It's as if these old rules were made under the new Act. They will stay effective until new rules from this Act replace them.

Explanation using Example

Imagine a mining company, "XYZ Minerals Pvt. Ltd.," which was operating under a set of rules formulated in 1949 according to the Mines and Minerals (Regulation and Development) Act, 1948. With the enactment of the Mines and Minerals (Development and Regulation) Act, 1957, there were concerns about the validity of the old rules. Section 29 of the 1957 Act clarifies that the rules made under the 1948 Act will continue to be valid as long as they do not conflict with the new Act and until new rules are established. Therefore, XYZ Minerals Pvt. Ltd. can continue its operations under the old rules until the government introduces new rules under the 1957 Act that specifically replace them.

Section 30: Power Of Revision By Central Government

The Central Government may, of its own motion or on an application made within the prescribed time by an aggrieved party,

(a) revise any order made by a State Government or other authority in exercise of the powers conferred on it by or under this Act with respect to any mineral other than a minor mineral; or

(b) where no such order has been made by the State Government or other authority in exercise of the powers conferred on it by or under this Act with respect to any mineral other than a minor mineral within the time prescribed therefore, pass such order as it may think fit and appropriate in the circumstances :

Provided that in cases covered by clause (b) the Central Government shall, before passing any order under this clause, give an opportunity of being heard or to represent in the matter.

Simplified Act

Simplified Explanation of Section 30: Central Government's Revision Powers

The Central Government is allowed to:

(a) Review and possibly change any decision made by a State Government or other authorities regarding minerals (excluding minor minerals) if they believe it's necessary or if someone who is unhappy with the decision asks them to do so within a certain time.

(b) Make a decision on its own regarding minerals (excluding minor minerals) if the State Government or other authorities have not made a decision within the required time. However, before making such a decision, the Central Government must give the people involved a chance to be heard or to present their side of the story.

Explanation using Example

Imagine a mining company, 'XYZ Minerals Pvt. Ltd.', which has applied for a license to extract iron ore in a specific area. The State Government, after considering the application, rejects it citing environmental concerns. The company believes that the State Government's decision is unjust and that it has followed all the required environmental guidelines. It decides to appeal the decision.

'XYZ Minerals Pvt. Ltd.' files an application to the Central Government under Section 30 of The Mines and Minerals (Development and Regulation) Act, 1957, seeking revision of the State Government's order. The Central Government reviews the application, and after thorough examination, it may choose to revise the State Government's order allowing the company to proceed with mining, provided that it adheres strictly to the environmental norms.

Section 30A: Special Provisions Relating To Mining Leases For Coal Granted Before 25Th October, 1949

Notwithstanding anything contained in this Act, the provisions of sub-section (1) of section 9 and sub-section (1) of section 16 shall not apply to or in relation

to mining leases granted before the 25th day of October, 1949, in respect of coal, but the Central Government, if it is satisfied that it is expedient so to do, may, by notification in the Official Gazette, direct that all or any of the said provisions (including any rules made under sections 13 and 18) shall apply to or in relation to such leases subject to such exceptions and modifications, if any, as may be specified in that or in any subsequent notification.

Simplified Act

Simple Explanation of Special Rules for Old Coal Mining Leases

Even though the Mines and Minerals Act has certain rules, these two specific rules (the payment of royalties as per section 9(1) and the rules about renewing mining leases as per section 16(1)) do not apply to coal mining leases that were given out before October 25, 1949. However, the Central Government has the power to decide that these rules can be made to apply to these old leases. They can do this by announcing it in the Official Gazette and may add some changes or exceptions to how these rules are applied if they find it necessary.

Explanation using Example

Imagine a company, "Vintage Coal Pvt. Ltd.," which was granted a mining lease for coal on October 1, 1948. According to Section 30A of The Mines and Minerals (Development and Regulation) Act, 1957, the usual royalty payment requirements and lease renewal processes outlined in sections 9(1) and 16(1) of the Act do not automatically apply to this lease because it was granted before October 25, 1949.

However, the Central Government has the discretion to apply these sections to Vintage Coal's lease by issuing a notification in the Official Gazette. If the government finds it necessary for regulatory or public interest reasons, it could notify that Vintage Coal Pvt. Ltd. must now adhere to the current rules, potentially with certain exceptions or modifications tailored to the specifics of their lease situation.

Section 30B: Constitution Of Special Courts

The State Government may, for the purposes of providing speedy trial of offences for contravention of the provisions of sub-section (1) or sub-section (1A) of section 4, constitute, by notification, as many Special Courts as may be necessary for such area or areas, as may be specified in the notification.

A Special Court shall consist of a Judge who shall be appointed by the State Government with the concurrence of the High Court.

A person shall not be qualified for appointment as a judge of a Special Court unless he is or has been a District and Sessions Judge.

Any person aggrieved by the order of the Special Court may prefer an appeal to the High Court within a period of sixty days from the date of such order.

Simplified Act

Simplified Explanation of Special Courts Formation

The State Government can set up Special Courts to quickly handle cases where people have broken the rules about mining, specifically mentioned in section 4, sub-sections (1) and (1A).

Each Special Court will have one Judge, who will be chosen by the State Government but they need to agree with the High Court on the choice.

To be a Judge in a Special Court, a person must be, or must have been, a District and Sessions Judge.

If someone doesn't agree with a decision made by the Special Court, they can challenge it by appealing to the High Court within 60 days after the decision was made.

Explanation using Example

Imagine a company that has been mining in a state without the proper permissions, violating sub-section (1) of section 4 of the Mines and Minerals (Development and Regulation) Act, 1957. To address this illegal activity swiftly, the State Government decides to set up a Special Court dedicated to handling such mining-related offences.

The State Government issues a notification establishing this Special Court in the area where the illegal mining has been rampant. They then appoint a Judge, who is a former District and Sessions Judge, to preside over the court, ensuring that the appointment is in agreement with the High Court.

Once the Special Court is operational, it hears the case against the mining company. After the trial, the company is dissatisfied with the court's decision and decides to file an appeal. They are required to do so within sixty days, taking their case to the High Court to challenge the Special Court's order.

Section 30C: Special Courts To Have Powers Of Court Of Session

Save as otherwise provided in this Act, the Code of Criminal Procedure, 1973 (2 of 1974), shall apply to the proceedings before the Special Court and for the purpose of the provisions of this Act, the Special Court shall be deemed to be a Court of Session and shall have all powers of a Court of Session and the person conducting a prosecution before the Special Court shall be deemed to be a public prosecutor.

Simplified Act

Simplified Explanation of Section 30C:

This section explains that, unless stated differently in this law, the rules from the Code of Criminal Procedure of 1973 should be followed in cases handled by the Special Court. This Special Court is considered to have the same authority as a Court of Session, which is a higher court in India. Also, the lawyer who represents the government in these cases is recognized as a public prosecutor, just like in a regular Court of Session.

Explanation using Example

Imagine a company engaged in illegal mining activities is caught and charged under the Mines and Minerals (Development and Regulation) Act, 1957. The case is brought before a Special Court designated for handling such offenses. In this scenario, Section 30C comes into play by ensuring that the proceedings in the Special Court are conducted in a manner similar to a Court of Session. The Special Court has the authority to exercise all powers that a Court of Session possesses, such as summoning witnesses, granting bail, and passing sentences. Furthermore, the prosecutor leading the case against the mining company is treated with the same legal status as a public prosecutor, which means they can direct the legal proceedings and represent the state in court.

Section 31: Relaxation Of Rules In Special Cases

The Central Government may, if it is of opinion that in the interests of mineral development it is necessary so to do, by order in writing and for reasons to be recorded, authorise in any case the grant, renewal or transfer of any mineral concession, or the working of any mine for the purpose of searching for or winning any mineral, on terms and conditions different from those laid down in the rules made under section 13.

Simplified Act

The Central Government has the power to decide that, if it will help with the development of minerals, they can write an order that allows for the giving, renewing, or passing on of rights to mine minerals (called a mineral concession) or for the operation of a mine to look for or extract minerals. This can be done under special terms and conditions that are not the same as the usual rules, as long as they explain their reasons for it.

Explanation using Example

Imagine a company, "XYZ Minerals Ltd.," wants to obtain a mining lease for a rare mineral that's crucial for national security. The standard rules for mining leases don't allow for the specific conditions needed for this rare mineral's extraction. The Central Government, recognizing the importance of this mineral, uses Section 31 of The Mines and Minerals (Development and Regulation) Act, 1957 to authorize the lease. They issue an order in writing, stating the reasons for this exception, allowing "XYZ Minerals Ltd." to mine under special terms that differ from the standard rules, thus facilitating the strategic mineral's development.

Section 32: [Repealed]

Amendments to Act 53 of 1948: Repealed by the Repealing and Amending Act, 1960 (58 of 1960), section 2 and the First Schedule (with effect from 26-12-1960)

Simplified Act

The changes that were made to the Act number 53 of 1948 have been cancelled. This was done by another law called the Repealing and Amending Act of 1960, specifically by section 2 and the First Schedule of that Act. This cancellation took effect on December 26, 1960.

Explanation using Example

Imagine a mining company, "XYZ Minerals Pvt. Ltd.," which has been operating under the regulations of the Mines Act of 1948. In 1960, significant changes were made to the legal landscape governing mining operations in India. The Mines and Minerals (Development and Regulation) Act, 1957, came into force, and certain provisions of the previous Act were repealed.

On December 26, 1960, Section 32 of the MMDR Act, 1957, came into effect, which led to the repeal of amendments related to Act 53 of 1948. For XYZ Minerals Pvt. Ltd., this meant that the company had to ensure compliance with the new legal framework and disregard the provisions of the 1948 Act that were no longer applicable. Any mining operations, lease agreements, or exploration activities had to be reviewed and potentially revised to align with the MMDR Act, 1957, post-repeal.

In practice, the legal team of XYZ Minerals Pvt. Ltd. would need to carefully examine all existing operations and documentation to remove references to the repealed Act 53 of 1948 and ensure that their business practices are in full compliance with the MMDR Act, 1957, as amended.

Section 33: Validation Of Certain Acts And Indemnity

All acts of executive authority done, proceedings taken and sentences passed under the Mines and Minerals (Regulation and Development) Act, 1948 (53 of 1948), with respect to the regulation of mines and the development of minerals during the period commencing on the 26th day of January, 1950, and ending with the date of commencement of this Act by the Government or by any officer of the Government or by any other authority, in the belief or purported belief that the acts, proceedings or sentences were being done, taken or passed under the said Act, shall be as valid and operative as if they had been done, taken or passed in accordance with law, and no suit or other legal proceeding shall be maintained or continued against any person whatsoever, on the ground that any such acts, proceedings or sentences were not done, taken or passed in accordance with law.

Simplified Act

Everything that the government or its officials did or decided related to managing mines and minerals, from January 26, 1950, until this new law started, is considered legal and valid. This applies even if they thought they were following the old 1948 law. Because of this, you can't take legal action against anyone claiming that what they did back then was against the law.

Explanation using Example

Imagine a mining company, XYZ Minerals Ltd., had been granted a permit to extract iron ore under the Mines and Minerals (Regulation and Development) Act, 1948. The permit was issued on January 30, 1950. During the period

leading up to the commencement of the Mines and Minerals (Development and Regulation) Act, 1957, XYZ Minerals Ltd. continued its operations in good faith, believing their permit and actions were lawful.

After the 1957 Act came into force, a local environmental group challenged the validity of XYZ Minerals Ltd.'s operations, claiming the permit and subsequent mining activities were not compliant with the new law. However, Section 33 of the 1957 Act protects XYZ Minerals Ltd.'s actions between January 26, 1950, and the start of the new Act, ensuring that their permit and all activities are deemed valid as if they were in accordance with the law. Consequently, the environmental group's legal challenge would not succeed on the grounds that the permit or actions were unlawful during that specific period.