# The Minerals (Other than Atomic and Hydro Carbons Energy Mineral) Concession Rules, 2021 Notified

# New Rules Provide for Sale of 50% of Mineral Produced from Captive Leases

# Allows easy disposal of overburden/waste rock; part surrender of mining lease area allowed in all cases

# Penalty Provisions in the Rules Rationalised

Posted On: 09 NOV 2021 12:56PM by PIB Delhi

Ministry of Mines has notified the Minerals (Other than Atomic and Hydro Carbons Energy Mineral) Concession (Fourth Amendment) Rules, 2021 to amend The Minerals (Other than Atomic and Hydro Carbons Energy Mineral) Concession Rules, 2016 [MCR, 2016].

Extensive amendments have been made in the Mines and Minerals (Development and Amendment) Act, 1957 ('MMDR Act') by the MMDR Amendment Act, 2021 w.e.f. 28.03.2021 with the objectives of increasing employment and investment in the mining sector, increase revenue to the States, increase the production and time bound operationalisation of mines, increase the pace of exploration and auction of mineral resources, etc. In order to implement the amendments made in the MMDR Act, the MCR, 2016 has been amended.

 The amendment rules have been framed after extensive consultations with the State Governments, industry associations, miners, other stakeholders and general public. The highlights of amendments in the Rules are as follows:

(i) New rules inserted to provide manner of sale of 50% of mineral produced from the captive leases. With this amendment, the Government has paved the way for releasing of additional minerals in the market by greater utilization of mining capacities of captive mines. The allowance for sale of prescribed quantity of mineral shall also motivate the lessees to enhance the production from the captive mines. Further, payment of additional premium amount, royalty and other statutory payments in respect of the quantity sold shall boost the revenue of the State Governments.

(ii) Provision added to allow disposal of overburden/ waste rock/ mineral below the threshold value, which is generated during the course of mining or beneficiation of the mineral. This will enable ease of doing business for the miners.

(iii) Minimum area for grant of mining lease has been revised from 5 ha. to 4 ha. For certain specific deposits, minimum 2 ha. is provided.

(iv) Part surrender of mining lease area allowed in all cases. Presently, part surrender was allowed only in case of non-grant of forest clearance.

(v) Rules amended to allow transfer of composite licence or mining lease of all types of mine.

(vi) New rules inserted to provide for mutation of ML/ CL in favour legal heirs on death of the lessee or licencee.

(vii) Interest on delayed payments revised from existing 24% to 12%.

(viii) Rules regarding period of mining lease granted to Government companies and their payments incorporated in the MCR, 2016.

(ix) Penalty provisions in the rules have been rationalized. Previously, the rules provided for penalty of imprisonment upto 2 years or fine upto 5 lakh rupees or both for violation of each and every rule irrespective of the severity of the violation. Amendment in the rules categorized the violations of the rules under the following major heads:

a. Major Violations: Penalty of imprisonment, fine or both.
b. Minor Violations: Penalty reduced. Penalty of only fine for such violations prescribed.
c. Violation of other rules has been decriminalized. These rules did not cast any significant obligation on the concession holder or any other person. Thus, violation of 49 rules has been decriminalized.

In addition to the above amendments, the Ministry has notified rescission of two rules, namely, Minerals (Transfer of Mining Leases Granted Otherwise than through Auction for Captive Purpose) Rules, 2016 and Mineral (Mining by Government Company), Rules, 2015. These rules had become obsolete in view the above amendment in the MMDR Act and the MCR, 2016.

Notification of the Amendment Rule is available on the website of Ministry of Mines (*www.mines.gov.in*).

*****

**MV/RKP**

(Release ID: 1770242)