

Bill No. 106 of 2025

**THE MINES AND MINERALS (DEVELOPMENT AND
REGULATION) AMENDMENT BILL, 2025**

A

BILL

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

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

1. (1) This Act may be called the Mines and Minerals (Development and Regulation) Amendment Act, 2025.

Short title and
commencement.

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

67 of 1957.

2. In the Mines and Minerals (Development and Regulation) Act, 1957 (hereinafter referred to as the principal Act), in section 3, after clause (ae), the following clause shall be inserted, namely:—

Amendment of
section 3.

‘(af) “mineral exchange” means an electronic trading platform or marketplace registered in accordance with the provisions of this Act, where buyers and sellers of minerals, its concentrate or its processed forms (including metals), transact, trade and enter into contract, including in derivatives;’.

Insertion of new section 6A.

3. In the principal Act, after section 6, the following section shall be inserted, namely:—

Inclusion of contiguous area in the leased area or area under composite licence in case of deep-seated minerals.

‘6A. (1) Notwithstanding anything contained in section 10,—

(a) a holder of a mining lease of deep-seated mineral, may apply for a one-time extension of the existing leased area to include therein a contiguous area not exceeding ten per cent. of the existing leased area; 10

(b) a holder of a composite licence in respect of deep-seated mineral, may apply for a one-time extension of the area under the composite licence, to include therein a contiguous area not exceeding thirty per cent. of the existing area under the licence.

(2) Upon receipt of such application, the State Government may extend the existing leased area or the area under composite licence, as the case may be, to include therein the contiguous area subject to such terms and conditions and on payment of such additional amount as may be prescribed by the Central Government. 15

Explanation.—For the purposes of this section, the expression “deep-seated minerals” means such minerals which occur at a depth of more than two hundred meters from the surface of land with poor surface manifestations.’. 20

Amendment of section 8A.

4. In the principal Act, in section 8A, in sub-section (7A),—

(i) the words “up to fifty per cent. of the total mineral produced in a year” shall be omitted; 25

(ii) for the first proviso, the following shall be substituted, namely:—

“Provided that the State Government may permit sale of dumps which has been stacked up to such date as may be specified by the Central Government in the leased area on payment of additional amount specified in the Sixth Schedule:”.

Amendment of section 9C.

5. In the principal Act, in section 9C,—

(i) for the marginal heading, the following marginal heading shall be substituted, namely:—

“National Mineral Exploration and Development Trust.”; 35

(ii) in sub-section (1), for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted;

(iii) for sub-section (2), the following sub-section shall be substituted, namely:— 40

“(2) The object of the Trust shall be to use the funds accrued to the Trust within India, including the offshore areas, and outside India for the purposes of regional and detailed exploration and development of mines and minerals in such manner as may be prescribed by the Central Government.”; 45

(iv) in sub-section (4), for the words “two per cent.”, the words “three per cent.” shall be substituted;

(v) in sub-section (5), for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted. 50

6. In the principal Act, in section 10B, in sub-section (2), the words “, after obtaining the previous approval of the Central Government,” shall be omitted.

Amendment of section 10B.

7. In the principal Act, in section 13, in sub-section (2),—

Amendment of section 13.

(i) after clause (k), the following clause shall be inserted, namely:—

5 “(ka) terms and conditions and additional amount under sub-section (2) of section 6A;”;

(ii) in clauses (qqb), (qqc) and (qqd), for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted;

10 (iii) after clause (xb), the following clause shall be inserted, namely:—

“(xc) conditions for inclusion of any mineral other than minor mineral in a lease granted in respect of a minor mineral under sub-section (5) of section 15B;”.

15 8. In the principal Act, after section 15A, the following section shall be inserted, namely:—

Insertion of new section 15B.

“15B. (1) A holder of a mining lease may apply to the State Government for inclusion of any other mineral in his mining lease on the basis of a geological report in relation to that lease and the State Government shall permit inclusion of such mineral within sixty days of such application, subject to the payment of such additional amount on dispatch of the included mineral as specified in the Eighth Schedule.

Inclusion of other minerals in mining lease.

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

(3) The holder of mining lease shall submit such reports or returns to the State Government and any other authority in respect of the included mineral as may be specified by the Central Government.

30 (4) The provision of this section shall apply for inclusion of any minor mineral in a lease granted in respect of a mineral other than minor mineral and the State Government may, by notification in the Official Gazette, specify the royalty and other payments to be made by the lessee on dispatch of such included minor mineral.

35 (5) Inclusion of any mineral other than minor mineral in a lease granted in respect of a minor mineral shall be made in accordance with the conditions as may be prescribed for this purpose by the Central Government and such rules may provide for all or any of the matters, namely:—

(i) the extent of presence of mineral other than minor mineral as compared to minor mineral in the lease;

40 (ii) termination of the lease in the interest of regulation of mines and mineral development and grant of a fresh lease in the area as a lease in respect of mineral other than minor mineral;

(iii) regulation of such lease as a lease granted for mineral other than minor minerals;

45 (iv) additional payment as specified in the Eighth Schedule to be made upon inclusion of a mineral other than minor mineral.

50 (6) Any mineral may be included under this section in a mining lease granted in respect of atomic mineral specified in Part B of the First Schedule where the grade of atomic mineral is equal to or above the notified threshold value with prior approval of the Central Government.

(7) No atomic mineral as specified in Part B of the First Schedule where the grade of atomic mineral is equal to or above the notified threshold value shall be included in the mining lease granted in respect of minerals other than such atomic minerals.”.

Insertion of new section 18B.

9. In the principal Act, after section 18A, the following section shall be inserted, namely: —

Development of market.

“18B. (1) The Central Government shall endeavour to promote development of market, including trading, of minerals, its concentrate or its processed forms (including metals) through mineral exchanges in such manner as may be prescribed by the Central Government.

(2) The Central Government may, by notification in the Official Gazette, appoint any authority to register and regulate mineral exchanges.

(3) 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) registration of mineral exchanges and revocation of such registration;

(b) regulation of all aspects and activities of mineral exchanges and market oversight;

(c) levy of fees and other charges;

(d) maintenance of a data bank of information on activities relating to mineral trading on mineral exchanges;

(e) prevention of cartelization, insider trading, circular trading, market manipulation and any other matter which is detrimental to the participants of the mineral exchanges;

(f) grievance redressal of participants of mineral exchanges; and

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

Amendment of Fifth Schedule.

10. In the principal Act, in the Fifth Schedule,—

(i) for serial number 2 and the entries relating thereto, the following serial numbers and the entries shall be substituted, namely:—

“2. Minerals specified in Part-D of the First Schedule Nil 30

2A. Minerals specified in Seventh Schedule (other than those specified in Part-D of the First Schedule) Equivalent to fifty per cent. of the royalty payable”; 35

(ii) in the *Explanation*, for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted.

Amendment of Sixth Schedule.

11. In the principal Act, in the Sixth Schedule,—

(i) under the sub-heading (i) for non-auctioned captive mines (other than coal and lignite), after serial number 5 and the entries relating thereto, the following serial numbers and the entries shall be inserted, namely:—

“5A. Minerals specified in Part-D of the First Schedule Nil”;

(ii) in the *Explanation*, under clause (a), for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted.

12. In the principal Act, after the Seventh Schedule, the following Schedule shall be inserted, namely:—

Insertion of new Schedule.

“THE EIGHTH SCHEDULE

[See section 15B (1), (2) and (5)]

Type of mining lease	Additional amount in case the included mineral is a mineral specified in Part-D of the First Schedule or the Seventh Schedule	Additional amount in case the included mineral is not a mineral specified in Part-D of the First Schedule or the Seventh Schedule
(1)	(2)	(3)
(i) Auctioned mining lease (including coal and lignite mining lease auctioned on revenue share basis for sale of coal).	Nil.	Nil.
(ii) Non-auctioned mining lease.	Nil.	Equivalent to amount of royalty on the included mineral.
(iii) Coal and lignite mining lease auctioned on per tonne basis or power tariff basis.	Nil.	Equivalent to amount of royalty on the included mineral.

Explanation.—For the purpose of this Schedule, it is hereby clarified that—

(i) the additional amount shall be in addition to royalty or payment to the District Mineral Foundation and National Mineral Exploration and Development Trust or any other statutory payment;

(ii) in case an additional amount specified in the Fifth Schedule is paid by the lessee in respect of a mineral, no additional amount under this Schedule shall be payable in respect of such included mineral;

(iii) in case of auctioned mines,—

(a) auction premium shall not be payable in respect of the included mineral if the included mineral is a mineral specified in Part-D of the First Schedule or the Seventh Schedule;

(b) auction premium shall be payable in respect of the included mineral if the included mineral is not a mineral specified in Part-D of the First Schedule or the Seventh Schedule.”.

STATEMENT OF OBJECTS AND REASONS

The Mines and Minerals (Development and Regulation) Act, 1957 was enacted to provide for the development and regulation of mines and minerals under the control of the Union.

2. The Act, being a part of the policy regulating economic development of the country, has been amended several times over the years. The last amendment made in the Act in 2023 focused on increasing exploration and production of critical and strategic minerals in the country by introducing a new list of 24 critical and strategic minerals; empowering the Central Government to auction mineral concessions in respect of such minerals and introduction of exploration licence for critical and deep-seated minerals.

3. The significance of critical and strategic minerals in the development of the country is continuously increasing and recent global geo-political developments has constricted the supply-chains of these minerals. India is mostly dependent on import of these minerals. A National Critical Mineral Mission has been launched to increase domestic production, including from the offshore areas of India, secure supply-chains from outside India and promote processing of critical minerals. There is an urgent need to further amend the Act to support the National Critical Mineral Mission in its objectives. Further, certain amendments are needed to provide simpler regime for promoting conservation of minerals, zero waste mining and extraction of deep-seated minerals.

4. The Mines and Minerals (Development and Regulation) Amendment Bill, 2025, *inter alia*, provides for the following, namely:—

(i) to widen the scope and territorial domain of the National Mineral Exploration Trust to enable use of the funds accrued to the Trust within India, including the offshore areas, and outside India for the purposes of exploration and development of mines and minerals;

(ii) to rename the Trust as the National Mineral Exploration and Development Trust to reflect its enlarged scope and increase the amount of payment to the Trust by the lessees from present two per cent. of the royalty payable to three per cent. of the royalty payable;

(iii) to enable the inclusion of any new mineral in a mining lease subject to the conditions prescribed by the Central Government and the additional amount payable as specified in the proposed Eighth Schedule to the Act. No additional amount is applicable on inclusion of critical and strategic mineral or minerals specified in the Seventh Schedule to the Act to incentivise production of these minerals which are found in small quantity and are difficult to mine and process;

(iv) to enable one-time extension of the area under a mining lease or composite licence to include therein a contiguous area not exceeding ten per cent. or thirty per cent., respectively, of the existing area under the lease or licence subject to such terms and conditions and additional payment as may be prescribed in rules by the Central Government. This will promote optimal mining of deep-seated minerals which are locked up in contiguous areas and may not be economically viable to be extracted under a separate lease or licence;

(v) to empower the Central Government to promote development of market, including trading, of minerals, its concentrate or its processed forms (including metals) through mineral exchanges. With the increased availability and demand of minerals in the country, there is need to provide a dynamic market mechanism for minerals backed by a robust regulatory regime. Setting up of mineral exchanges will help miners and end-users of minerals in determining fair and transparent market prices based on supply and demand dynamics, stabilise markets and aid in budgeting and planning. This will promote investment in mining sector and infrastructure related to transport and storage;

(vi) to remove the limit on sale of minerals from the captive mines so that miners can sell minerals after meeting the requirement of the end use plant linked with the mine and on payment of additional amount specified in the Act;

(vii) to allow sale of dumps which have been stacked up to such date as may be specified by the Central Government in captive leases which cannot be captively utilised to reduce environment hazards and increase safety in mine workings, bring more minerals in the market and provide additional revenue to the States.

5. The Bill seeks to achieve the above objectives.

NEW DELHI;

G. KISHAN REDDY.

The 8th August, 2025.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE
CONSTITUTION OF INDIA

**[Copy of letter No. M.VI-16/7/2024-Mines VI, dated 09 August, 2025
from Shri G. Kishan Reddy, Minister of Coal and Mines to the
Secretary-General, Lok Sabha]**

The President having been informed of the subject matter of the proposed Bill recommends to the House under clauses (3) of article 117 of the Constitution of India, the consideration of "the Mines and Minerals (Development and Regulation) Amendment Bill, 2025" in the Lok Sabha

FINANCIAL MEMORANDUM

The Bill seeks to amend the Mines and Minerals (Development and Regulation) Act, 1957 to increase exploration and mining of critical and strategic and deep-seated minerals in the country, enable securing global supply-chains of critical and strategic minerals and to put the nation's mineral resources to the best use for national economic growth.

2. Clause 4 of the Bill proposes to amend section 9C of the said Act to widen the scope and territorial domain of the National Mineral Exploration Trust to enable use of the funds accrued to the Trust within India, including the offshore areas, and outside India for the purposes of exploration and development of mines and minerals. Under the existing provision of section 9C of the Act, the holder of a mining lease or composite licence is mandated to pay to the Trust, a sum equivalent to two per cent. of royalty paid in terms of the Second Schedule to the Act. The Bill also proposes to increase the amount of payment to the Trust by the lessees from present two per cent. of the royalty payable to three per cent. of the royalty payable.

3. At present around 1,000 crore rupees accrues annually to the Trust and the Trust fund is kept in the public account of India which currently has a corpus of around 3,500 crore rupees. As proposed, if the amount of payment to the Trust is increased from present two per cent. to three per cent. of the royalty payable, an additional corpus of around 2,500 crore rupees would accrue to the Trust in the next five years. This amount would be required to meet the enhanced scope and territorial domain of the Trust. An expenditure of 8,700 crore rupees in next five years is envisaged from the Trust under the National Critical Mineral Mission.

4. The accrual to and expenditure from the Trust are done through Consolidated Fund of India. All the expenditure from the Trust and Consolidated Fund of India would be of non-recurring in nature.

5. Other proposals of the Bill, if enacted, are not likely to involve any recurring or non-recurring expenditure.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 6 of the Bill seeks to amend sub-section (2) of section 13 of the Mines and Minerals (Development and Regulation) Act, 1957 to empower the Central Government to make rules to provide for—(i) additional amount to be paid by a holder of a mining lease or composite licence, as the case may be, on extension of the existing leased area or the area under composite licence; and (ii) conditions for inclusion of any mineral other than minor mineral in a lease granted in respect of a minor mineral.

2. Clause 7 of the Bill seeks to insert a new section 15B in the said Act. Sub-section (2) of the said section empowers the Central Government to amend, by notification in the Official Gazette and for reasons to be recorded in writing, the Eighth Schedule which specifies the additional amount payable by a lessee on dispatch of the included mineral. Sub-section (4) of the said section empowers the State Government to specify the royalty and other payments to be made by a lessee on dispatch of minor mineral included in a lease granted in respect of a mineral other than minor mineral.

3. Clause 9 of the Bill seeks to insert new section 18B in the said Act to empower the Central Government to promote development of market, including trading, of minerals, its concentrate or its processed forms (including metals) through mineral exchanges in such manner as may be provided by rules by the Central Government. Sub-section (3) of said section empowers the Central Government to make rules to provide for,—(i) registration of mineral exchanges and revocation of such registration; (ii) regulation of all aspects and activities of mineral exchanges and market oversight; (iii) levy of fees and other charges; (iv) maintenance of a data bank of information on activities relating to mineral trading on mineral exchanges; (v) prevention of cartelization, insider trading, circular trading, market manipulation and any other matter which is detrimental to the participants of the mineral exchanges; (vi) grievance redressal of participants of mineral exchanges; and (vii) any other matter which is to be, or may be, prescribed.

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

ANNEXURE

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

(67 OF 1957)

		*	*	*	*	*	*
Period of grant of a mining lease for minerals other than coal, lignite and atomic minerals.	8A. (1) *	*	*	*	*	*	*
	(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.						
	*	*	*	*	*	*	*
National Mineral Exploration Trust.	9C. (1) The Central Government shall, by notification, establish a Trust, as a non-profit autonomous body, to be called the National Mineral Exploration Trust.						
	(2) 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.						
	*	*	*	*	*	*	*
	(4) 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.						
	(5) The entities specified and notified under sub-section (1) of section 4 shall be eligible for funding under the National Mineral Exploration Trust.						
	*	*	*	*	*	*	*
Grant of mining lease in respect of notified minerals through auction.	10B. (1) *	*	*	*	*	*	*
	(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.						
	*	*	*	*	*	*	*
Power of Central Government to make rules in respect of minerals.	13. (1) *	*	*	*	*	*	*
	(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—						
	*	*	*	*	*	*	*
	(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;

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THE FIFTH SCHEDULE

[See sections 8(4), 8A(8) and 17A(2C)]

* * * * *

2. Copper Equivalent to fifty per cent. of the royalty payable

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Explanation.—For the purposes of this Schedule, the additional amount shall be in addition to royalty or payment to the District Mineral Foundation and National Mineral Exploration Trust or any other statutory payment.

THE SIXTH SCHEDULE

[See sections 8(5) and 8A(7A)]

- (i) For non-auctioned captive mines (other than coal and lignite):

* * * * *

Explanation.—For the purposes of this Schedule, it is hereby clarified that—

(a) the additional amount shall be in addition to royalty or payment to the District Mineral Foundation and National Mineral Exploration Trust or any other statutory payment or payment specified in the tender document or the auction premium (wherever applicable).

(b) *Ad valorem* royalty for the purpose of calculating the additional amount for coal and lignite shall be based on National Coal Index and Representative Price of coal excluding the taxes, levies and other charges.

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LOK SABHA

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

(Shri G. Kishan Reddy, Minister of Coal and Mines)