

ANNEXURE 4.2

HIGHLIGHTS OF THE MINES AND MINERALS (REGULATION AND DEVELOPMENT) ACT 1957 AS AMENDED IN 1994

1. MMRD Act, 1957, has been amended in 1994 to bring it in line with National Mineral Policy announced in 1993.
2. 13 Minerals have been de-reserved for exploitation by the Private Sector, i.e., Iron Ore, Manganese Ore, Chrome Ore, Sulphur, Gold, Diamond, Copper, Lead, Zinc, Molybdenum, Tungsten Ores, Nickel and Platinum group of metals.
3. Any company registered in India, irrespective of its foreign equity holding, allowed to apply for a mining lease or a prospecting licence.
4. 50 per foreign equity automatically allowed with RBI clearance for companies mining for commercial use. Higher equity holding to be considered on case-to-case basis by Foreign Investment Promotion Board (FIPB).
5. In case of captive mines (coal for power stations, ores for processing plants) equity approved for the main plant will be allowed in respect of the captive mine under the same company.
6. 15 minerals deleted from the first schedule of the MMRD Act - apatite and phosphatic ores, barytes, dolomite, gypsum, vanadium, kyanite, magnesite, molybdenum, nickel, platinum and other precious metals, silimanite, silver, sulphur and its ores, tin, tungsten and vanadium ore. **Henceforth, State Governments are not required to take prior approval from Central Government for grant of mining lease or prospecting licence for these minerals.**
7. Prior approval of Central Government required for mining leases of only 11 minerals apart from atomic and fuel minerals, i.e. asbestos, bauxite, chrome ore, copper ore, gold, iron ore, lead, limestone (except when it is used in kilns for the manufacture of lime as building materials, manganese ore, precious stones and zinc.
8. Period for which prospecting licence can be granted is increased from two to three years. Licence can be renewed upto five years by the State Government.
9. All mining leases to be granted for a minimum period of 20 years and a maximum of 30 years. Lease can also be renewed for 20 years. Further renewals possible with approval of Government.
10. Period before which a mining lease can lapse, if no work is taken up, increased from one year to two years.
11. New section introduced allowing searches to be carried out to check unauthorized mining.
12. State Governments empowered to terminate leases of minor minerals without prior approval of the Central Government.
13. No appeal or revision to lie with the Central Government for orders passed by the State Government in regard to minor minerals.
14. Notifications issued by the State Governments under their Minor Mineral Concession Rules to be placed before the State Legislature. Central Government empowered to modify leases not in conformity with the Act to bring them in line with the provisions of the Act.