

# Rajya Sabha Passes MMDR Amendment Bill 2021

Updated: 23 Mar 2021, 12:58 AM IST

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**New Delhi:** The Rajya Sabha on Monday passed the Mines and Minerals (Development and Regulation) Amendment Bill, 2021 that will do away with the distinction between the captive and non-captive mines, allow captive mines to sell up to 50% of the minerals excavated during the current year and will also help towards the auctioning of more mines.

It will also allow the union government conduct auctions for those blocks wherein the "state governments face challenges in conducting auction or fail to conduct it," with the revenues accruing from such blocks going to the state government's exchequer. This assumes significance given that the mineral sector contributes only 1.75% to the country's gross domestic product (GDP), with India importing minerals worth ₹2.5 trillion annually.

"With its passage in Rajya Sabha, Mines and Minerals (Development and Regulation) Amendment Bill, 2021 stands passed by both Houses of Parliament. It is a step towards attaining mineral security of the nation," coal and mines and parliamentary affairs minister Pralhad Joshi in a tweet on Monday.

As part of the government's efforts to usher in structural reforms in the mining sector, the bill amended some sections of the Mines and Minerals (Development and Regulation) (MMDR) Act.

"With the Parliament passing Mines and Minerals (Development and Regulation) Amendment Bill, 2021, stage is set for big-bang reforms in the mining sector. These reforms will make mineral mining sustainable and drive economic activities in the country," Joshi said in another tweet.

Also, to expedite mining operations in India, a 50% rebate in the quoted revenue share will be awarded for the quantum of mineral produced and dispatched earlier than the scheduled production date.

This comes against the backdrop of National Mineral Policy goals to increase mineral production by 200% in 7 years. Of India's obvious geological potential area of 0.571 million sq. km, only 10% has been explored.

Also, all clearance and licenses granted shall continue till the reserves have been mined and post the expiry or termination of the lease, will be transferred to the next successful bidder. This will help attract investors as under the previous regime, the new lessee had pre-embedded clearances for only two years, making it difficult to get fresh clearances within this time period.