

Bill to amend offshore areas minerals law introduced

By IASToppers | 2023-07-29 15:35:00



Bill to amend offshore areas minerals law introduced

The **Union Minister for Coal and Mines** has recently introduced the **Offshore Areas Mineral (Development and Regulation) Amendment Act, 2023**, Lok Sabha.



[ref- economic times]

What is the need for the bill?

- The bill aims to **tap India's vast offshore mineral resources** for **development**.
- India possesses **extensive offshore mineral resources** but they are **not** yet extracted due to the **absence** of a **legal framework**.
- Previous allocation **efforts** have **faced challenges**, including **pending litigations** and **lack of transparency**.
- Introduction of **auction-based method** of **allocation** of **operating rights** in the **offshore** areas will **enable early allocation** of **operating rights** through a **transparent** and **non-discretionary process**.

What does the bill propose?

- The **auction-based allocation** will provide **operating rights** in **offshore areas**, including the **establishment of trusts** for mining-affected persons, exploration **encouragement**, and **uniform lease periods**.
- It will remove the provision for **renewal** of **production lease** and provide a **fixed** period of **fifty years** for **production lease**.
- The bill will introduce a **composite licence**, which is a **two-stage operating right** to undertake **exploration** followed by **production** operation.
 - It will be **granted only** through **auction** by **competitive bidding** to the **private sector**.
- In the case of **atomic minerals**, the grant of **exploration licence** or **production lease** shall be made only to a **government** or a **government corporation**.
- The bill **enhances penalties** for **illegal mining** and **introduces a timeline** for **production**

commencement.

- The bill will **introduce a 4-year timeline** for **commencement of production** and **2 years** for **dispatch** after the **execution of composite licence** or **production lease**.
 - This will be extendable by 1 **year** for **re-commencement of production** and **dispatch** after **discontinuation**.
- The **Central Government** is empowered to **frame rules** for **conservation, systematic development**, and **environmental protection** related to offshore mining.
- It establishes the **Offshore Areas Mineral Trust**, ensuring **funds** for **exploration, disaster relief**, and **welfare** of **affected individuals**.

What shall bill also include?

- The bill shall adopt features of the [Mines and Minerals \(Development and Regulation\) Act, 1957](#), (MMDR Act) such as the establishment of **trusts** for **mining-affected persons** and encouraging **exploration** among others.
- The features of **MMDR Act** such as removing process of **discretionary renewals**, providing **uniform lease** period of 50 years, the **composite licence**, providing for **area limits**, easy **transfer** of **composite licence** or **production lease**, etc shall also be included.

Other key facts:

- India has a unique maritime position with a coastline that touches **nine coastal states** and **four union territories**.
- India has **two million square kilometres** of **exclusive economic zone**.