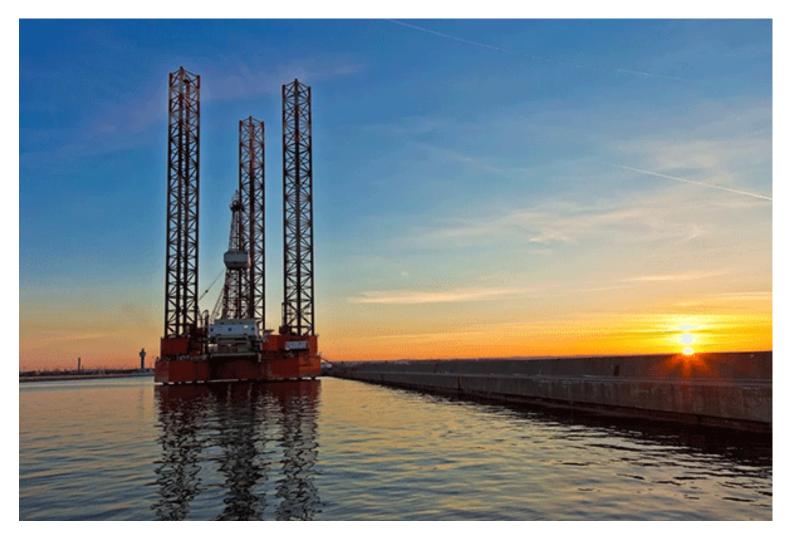
# IT IAS Toppers

### 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.

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[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 <u>Mines and Minerals (Development and Regulation) Act</u>, <u>1957</u>,(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.