

# Mines & Minerals ( Development & Regulation) Amendment Bill 2025 – Polity

Parliament passes Mines and Minerals Amendment Bill 2025 to boost critical mineral production. The Rajya Sabha has recently passed the Mines and Minerals (Development and Regulation) Amendment Bill, 2025, a landmark piece of legislation aimed at overhauling India's mining sector. This bill amends the foundational Mines and Minerals (Development and Regulation) Act of 1957 and is a strategic move to secure the nation's supply of essential minerals, paving the way for greater self-reliance and economic growth.

## Key Objectives of the Amendment

The primary goal of the bill is to create a modern, efficient, and investor-friendly mining ecosystem. Its objectives are multifaceted:

- Modernise the Mining Framework** – To update archaic regulations and introduce contemporary practices like electronic mineral exchanges to enhance efficiency.
- Reduce Import Dependence** – To decrease India's reliance on foreign countries for critical and strategic minerals, which are vital for high-tech industries and national security.
- Create a Transparent & Investment-Friendly Environment**: To attract significant domestic and international capital by simplifying processes, ensuring fair price discovery, and improving investor confidence.
- Focus on Critical and Strategic Minerals** – To specifically promote the exploration and production of minerals such as lithium, cobalt, and nickel, which are essential for India's green energy transition (e.g., EV batteries) and economic development.

## Detailed Provisions of the Bill

The amendment introduces several significant changes to the existing mining laws.

### Inclusion of Critical and Strategic Minerals

**Lease Modification** – Existing leaseholders can now apply to their respective state governments to officially add newly identified critical or strategic minerals (like lithium, cobalt, nickel, graphite, gold, and silver) to their current mining lease.

**Financial Incentive** – A major incentive is that no additional royalty or payment will be levied for the inclusion of critical and strategic minerals that are listed in the Seventh Schedule or Part D of the First Schedule of the Act.

**Lease Area Extension** – The bill permits a one-time, limited extension of the lease area to encourage more comprehensive exploration:

1. An extension of up to 10% of the area is allowed for mining deep-seated minerals (defined as minerals located below a depth of 200 metres).
2. For composite licences (which combine prospecting and mining rights), the lease area can be extended by up to 30%.

### National Mineral Exploration and Development Trust (NMEDT)

**Renaming and Rebranding** – The existing National Mineral Exploration Trust (NMET) will be renamed as the National Mineral Exploration and Development Trust (NMEDT) to reflect its expanded role.

**Expanded Mandate** – The Trust's responsibilities are significantly broadened to include offshore and international exploration of critical and strategic minerals, marking a strategic push to secure resources beyond national borders.

**Increased Contribution** – To fund these expanded activities, the contribution from mining leaseholders to the NMEDT is being increased from 2% to 3% of the royalty they pay.

### Establishment of Mineral Exchanges

**Electronic Trading Platforms** – The bill enables the creation of mineral exchanges, which will function as registered electronic platforms for trading minerals, mineral concentrates, and processed forms, including metals.

**Goals** – These exchanges are intended to – Ensure transparent and fair price discovery based on market demand and supply. Reduce opportunities for price manipulation and hoarding. Promote overall efficiency in the mineral trade.

**Regulatory Framework** – The central government is empowered to frame the necessary rules for the functioning of these exchanges, covering aspects like registration, fees, prevention of insider trading, and grievance redressal mechanisms.

### Easing the Cap on Captive Mines

**Removal of Sales Cap** – The existing 50% cap on the sale of minerals from captive mines (mines operated by a company for its own consumption) in the open market is completely removed.

**New Provision** – Captive mine operators can now sell 100% of their production after fully meeting their own end-use plant requirements. This allows them to monetize surplus production efficiently.

**Monetizing Waste** – State governments are also given the authority to permit the sale of old mineral dumps, unlocking economic value from materials previously considered waste.

### Significance and Impact of the Bill

This amendment is poised to have a transformative impact on India's economy and strategic standing.

**Securing Critical Mineral Supply Chains** – By incentivizing the domestic exploration and mining of lithium, cobalt, nickel, and graphite, the bill directly addresses the supply chain vulnerabilities for industries **vital to the future, such as EV batteries, semiconductors, and renewable energy systems.**

**Boosting Mining Sector and Investments** – The liberalization of rules, introduction of transparent mineral exchanges, and expanded lease provisions are designed to significantly improve investor confidence and make the Indian mining sector more competitive on a global scale, attracting both domestic and foreign capital.

**Advancing Sustainable Growth and Economic Security** – This reform is not just about resource extraction; it aims to balance it with community welfare. By creating a more vibrant mining sector, the bill will contribute to job creation, regional development (especially in mineral-rich states), and overall economic resilience.

### Conclusion

The Mines and Minerals (Development and Regulation) Amendment Bill, 2025 is a forward-looking reform that aligns perfectly with strategic national initiatives like the National Critical Minerals Mission. It represents a decisive step towards creating a self-reliant, transparent, and globally competitive mineral sector, which is fundamental to achieving India's long-term economic security and development goals.

Source: <https://ddnews.gov.in/en/parliament-passes-mines-and-minerals-amendment-bill-2025-to-boost-critical-mineral-production/#:~:text=The%20Rajya%20Sabha%20on%20Tuesday,the%20National%20Critical%20Mineral%20Mission.>