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The Offshore Areas Mineral (Development and Regulation) Act, 2002

(ACT NO. 17 OF 2003)

[*As on the* 1*st August,* 2026]

LIST OF AMENDING ACTS

1. The Offshore Areas Mineral (Development and Regulation) Amendment Act, 2023 (17 of 2023).
2. The *Jan Vishwas* (Amendment of Provisions) Act, 2026 (8 of 2026).

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LIST OF ABBREVIATIONS USED

Cl., cls.	*for*	Clause, clauses.
Ins.	,,	Inserted.
Notifn.	,,	Notification.
S., ss.	,,	Section, sections.
Sch.	,,	Schedule.
Subs.	,,	Substituted.
w.e.f.	,,	with effect from.

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THE OFFSHORE AREAS MINERAL (DEVELOPMENT AND REGULATION) ACT, 2002

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THE OFFSHORE AREAS MINERAL (DEVELOPMENT AND REGULATION) ACT, 2002
ACT NO. 17 OF 2003

[30*th January*, 2003.]

An Act to provide for development and regulation of mineral resources in the territorial waters, continental shelf, exclusive economic zone and other maritime zones of India and to provide for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Fifty-third Year of the Republic of India as follows:—

CHAPTER I
PRELIMINARY

1. Short title and commencement.—(*1*) This Act may be called the Offshore Areas Mineral (Development and Regulation) Act, 2002.

(*2*) It shall come into force on such date[1] as the Central Government may, by notification in the Official Gazette, appoint.

2. Declaration as to expediency of Union control.—It is hereby declared that it is expedient in the public interest that the Union should take under its control the regulation of mines and the development of minerals in offshore areas to the extent herein after provided.

3. Application.—(*1*) This Act shall apply to all minerals in the offshore areas including any mineral prescribed by notification under clause (*g*) of sub-section (*1*) of section 2 of the Atomic Energy Act, 1962 (33 of 1962) except mineral oils and hydrocarbons related thereto.

(*2*) Except as otherwise provided in this Act, the provisions of this Act shall be in addition to, and not in derogation of, any other law for the time being in force in the offshore areas.

4. Definitions.—In this Act, unless the context otherwise requires,—

(*a*) "administering authority" means an authority notified, in the Official Gazette, by the Central Government for the purposes of this Act;

(*b*) "atomic minerals" means the minerals included in atomic minerals specified in Part B of the First Schedule to the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957) [2] *[and the rules made thereunder;]

(*c*) "Coast Guard" means the Coast Guard constituted under the Coast Guard Act, 1978 (30 of 1978);

[2][(*ca*) "composite licence" means the exploration licence-cum-production lease, which is a two stage operating right granted for the purpose of undertaking exploration operation followed by production operation;

(*cb*) "dispatch" means removal of minerals or mineral products from the area covered under the production lease and includes the consumption of minerals and mineral products within such area;]

(*d*) "exploration licence" means a licence granted [3][for the purpose of undertaking exploration operation];

(*e*) "exploration operation" means any operation undertaken for the purpose of exploring, locating or proving the mineral deposits;

[2][(*ea*) "Government company" shall have the meaning assigned to it in clause (*45*) of section 2 of the Companies Act, 2013, (18 of 2013);]

(*f*) "holder", in relation to any operating right, means the lessee, licensee or permittee, as the case may be, in respect of such operating right;

(*g*) "hydrocarbon" means very large group of chemical compounds composed of carbon and hydrogen;

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1. 15th January, 2010, *vide* Order No. S.O. 338(E), dated by 11th February, 2010, *see* Gazette of India, Extraordinary, Part II, sec. 3(*ii*).
2. Ins. by Act 17 of 2023, s. 2 (w.e.f. 17-8-2023).

*. Section 24 of the Offshore Areas Mineral (Development and Regulation) (Amendment) Act, 2023 (17 of 2023) provides for power to remove difficulties regarding amendments made therein which reads as under:

"**24. Removal of difficulties.—**(*1*) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of the principal Act, as appear to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made under this sub-section after the expiry of a period of two years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament."

3. Subs. by s. 2, *ibid*., for "under section 12" (w.e.f. 17-8-2023).

(*h*) "Indian national" means a citizen of India and includes a firm or other association, if all the members of the firm or, as the case may be, the members of the association, are citizens of India;

(*i*) "lessee" means the person in whose name [1][a production lease] is granted;

(*j*) "licensee" means the person in whose name [2][a composite licence, or an exploration licence, is granted];

(*k*) "mine" means any place in the offshore area wherein any exploration or production operation is carried on, together with any vessel, erection, appliance, artificial island or platform and premises in the offshore area used for the purposes of exploration, winning, treating or preparing minerals, obtaining or extracting any mineral or metal by any mode or method, and includes any area covered by [3][a composite licence, or an exploration licence, or a production lease] where exploration or production operation has been, or is being, or may be, carried on under the provisions of this Act;

(*l*) "mineral" includes all minerals except mineral oil and hydrocarbon resources relating thereto;

(*m*) "mineral oil" includes natural gas and petroleum;

(*n*) "offshore area" means the territorial waters, continental shelf, exclusive economic zone and other maritime zones of India under the Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976 (80 of 1976);

(*o*) "operating right" means the right of holder of a reconnaissance permit, or [4][a composite licence, or an exploration licence, or a production lease;]

(*p*) "permittee" means the person in whose name the reconnaissance permit is granted;

(*q*) "pollution of offshore environment" means the introduction by any person, directly or indirectly, of substances or energy into the offshore environment which results, or is likely to result, in deleterious effect on living resources and marine life, hazards to human health, hindrance to marine activities, including fishing and other legitimate uses of the offshore areas and impairment of quality of sea water for use and reduction of amenities;

(*r*) "prescribed" means prescribed by rules made under this Act;

[5][(*ra*) "production", with its grammatical variation and cognate expressions, means the winning of mineral within the area covered under a production lease for the purpose of processing or dispatch;]

(*s*) "production operation" means any operation undertaken for the purpose of winning any mineral from the offshore area and includes any operation directly or indirectly necessary there for or incidental thereto;

(*t*) "production lease" means a lease granted [6][under section 8 or section 12 or section 13] which confers an exclusive right for the purpose of undertaking production operation;

(*u*) "reconnaissance operation" means any preliminary geo-scientific survey undertaken for the purpose of searching or locating mineral deposits;

(*v*) "reconnaissance permit" means a permit granted [7]*** for the purpose of undertaking reconnaissance operation;

[5][(*va*) "standard block" means a block of the offshore area of one minute latitude by one minute longitude and includes the seabed and its subsoil and waters superjacent to the seabed within such block;]

(*w*) "vessel" includes any ship, [8][barge, boat, container, sailing vessel or stationary vessel or any other vessel of any description, submersible or otherwise and remotely operated or otherwise, used in any operation or any activity pursuant thereto].

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1. Subs. by Act 17 of 2023, s. 2, for "the production lease" (w.e.f. 17-8-2023).
2. Subs. by s. 2, *ibid*., for "the exploration licence is granted" (w.e.f. 17-8-2023).
3. Subs. by s. 2, *ibid*., for "an exploration licence or production lease" (w.e.f. 17-8-2023).
4. Subs. by s. 2, *ibid*., for "an exploration licence, or a production lease" (w.e.f. 17-8-2023).
5. Ins. by s. 2, *ibid.* (w.e.f. 17-8-2023).
6. Subs. by s. 2, *ibid*., for "under section 13" (w.e.f. 17-8-2023).
7. The words and figures "under section 11" omitted by s. 2, *ibid.* (w.e.f. 17-8-2023).
8. Subs. by s. 2, *ibid*., for "boat, sailing vessel or any other vessel of any description" (w.e.f. 17-8-2023).

CHAPTER II

GENERAL PROVISIONS FOR ACQUISITION OF OPERATING RIGHTS IN THE OFFSHORE AREAS

5. Reconnaissance, exploration or production to be under permit, licence or lease.—(*1*) No person shall undertake any reconnaissance operation, exploration operation or production operation in the offshore areas, except under and in accordance with the prescribed terms and conditions of a reconnaissance permit, [1][a composite licence, or an exploration licence, or a production lease, granted] under this Act and the rules made thereunder:

Provided that nothing in this sub-section shall apply to any reconnaissance operation or exploration operation undertaken by the Geological Survey of India, [2][Atomic Minerals Directorate for Exploration and Research], the Chief Hydrographer to the Government of India of [3][the National Hydrographic Office], the National Institute of Oceanography, the National Institute of Ocean Technology of Department of Ocean Development of the Government of India, or [4][any other agency including a private entity, duly authorised in this behalf by the Central Government by notification in the Official Gazette, subject to such conditions as may be specified therein.]

[5][(*2*) Every permittee, licensee and lessee referred to in sub-section (*1*), and the Government organisation, agency or private entity referred to in the proviso thereof, shall—

(*a*) furnish to the administering authority and such other authority as may be prescribed, all exploration and operational data, reports, samples and other information in respect of or collected pursuant to an operation, in such manner and within such period, as may be prescribed; and

(*b*) all exploration and operational data, reports, samples and other information in respect of or collected pursuant to an operation, shall be held by such permittee, licensee, lessee, Government organisation, agency or private entity, as the case may be, in strict confidence and any dissemination, pursuant to a sale or otherwise, of such data, reports or other information, or sharing of its samples, shall be subject to such terms and conditions, as may be prescribed.]

(*3*) Notwithstanding anything contained in this Act, the Central Government may—

(*a*) authorise seaward artillery practice under the Seaward Artillery Practice Act, 1949 (8 of 1949);

(*b*) provide for, by notification in the Official Gazette, special measures to ensure public safety and interest, the defence of India and civil defence, conduct of the naval operations and exercises, national security and other strategic considerations and the matters connected therewith during war like conditions or otherwise.

(*4*) No operating right shall be [6][granted, extended or acquired] otherwise than in accordance with the provisions of this Act and the rules made thereunder and any reconnaissance permit, [7][composite licence, exploration licence or production lease, granted, extended or acquired] in contravention of the provisions of this Act or any rules made thereunder, shall be void.

6. Grant of operating right.—The Central Government shall not grant an operating right to any person unless such person—

(*a*) is an Indian national, or a company as defined in [8][clause (*20*) of section 2 of the Companies Act, 2013 (18 of 2013)]; and

(*b*) satisfies such conditions as may be prescribed:

[9][Provided that no exploration licence, or composite licence, or production lease shall be granted for an area to any person other than the Government, a Government company or a corporation, in respect of any minerals specified in Part B of the First Schedule to the Mines and Minerals (Development and

1. Subs. by Act 17 of 2023, s. 3, for "exploration licence or production lease granted" (w.e.f. 17-8-2023).
2. Subs. by s. 3, *ibid*., for "Atomic Minerals Directorate of Exploration and Research" (w.e.f. 17-8-2023).
3. Subs. by s. 3, *ibid*., for "Naval Hydrographic Office of the Indian Navy" (w.e.f. 17-8-2023).
4. Subs. by s. 3, *ibid*., for "any other agency duly authorised in this behalf by the Central Government" (w.e.f. 17-8-2023).
5. Subs. by s. 3, *ibid.,* for sub-section (*2*) (w.e.f. 17-8-2023).
6. Subs. by s. 3, *ibid.,* for "granted or renewed" (w.e.f. 17-8-2023).
7. Subs. by s. 3, *ibid*., for "exploration licence or production lease granted, renewed or acquired" (w.e.f. 17-8-2023).
8. Subs. by s. 4, *ibid*., for "section 3 of the Companies Act, 1956 (1 of 1956)" (w.e.f. 17-8-2023).
9. Subs. by s. 4, *ibid*., for the proviso (w.e.f. 17-8-2023).

Regulation) Act, 1957 (67 of 1957), subject to such conditions and manner as may be prescribed, where the grade of such mineral in such area is equal to or greater than such threshold value as the Central Government may, by notification in the Official Gazette, specify:

Provided further that no production lease shall be granted in respect of any part of the offshore area, unless the existence of mineral resources in such offshore area has been adequately established in accordance with such parameters as may be prescribed.]

7. Termination of operating right.—(*1*) Where the Central Government, after consultation with the administering authority, is of the opinion [1][that it is expedient in public interest, strategic interest of the country, in the interest of] development and regulation of offshore mineral resources, preservation of natural environment and prevention of pollution, avoidance of danger to public health or communication, ensuring safety of any offshore structure or conservation of mineral resources [2][or for any other reason], the Central Government may prematurely terminate any operating right in respect of any mineral in any offshore area or part thereof.

(*2*) No order for premature termination of operating right under sub-section (*1*) shall be made except after giving the holder of operating right a reasonable [3][opportunity of being heard, except in cases where premature termination is being done on the grounds of strategic interest of the country].

(*3*) Where the holder of any operating right fails to commence operation within the period specified in section 14 or discontinues the operation for a period of two years, the operating right shall lapse from the date of execution of the lease or, as the case may be, discontinuance of the operation:

Provided that the administering authority, on an application made by the holder of operating right and after being satisfied that such non-commencement of operation or discontinuation thereof, is due to the reasons beyond the control of the holder of operating right, may [4][extend the period specified in section 14 by a further period not exceeding one year and such extension shall not be granted for more than once during the entire period of operating right:]

[5][Provided further that where the holder of operating right—

(*a*) fails to undertake operation; or

(*b*) having commenced the operation, discontinues such operation,

before the end of the extended period, such operating right shall also lapse from the date of execution of the lease or, as the case may be, discontinuance of the operation.]

[5][(*4*) Where the holder of a production lease fails to undertake production and dispatch for a period of four years after the date of execution of the lease, or having commenced production and dispatch, discontinues the same for a period of two years, then such lease shall lapse on the expiry of the period of four years from the date of its execution or, as the case may be, two years from date of discontinuance of the production and dispatch:

Provided that the administering authority may, on an application made by the lessee, and after being satisfied that such non-commencement of production, or dispatch, or discontinuation thereof, was due to the reasons beyond the control of the lessee, may extend such period by a further period not exceeding one year, but such extension shall not be granted for more than once during the entire period of lease:

Provided further that where the lessee,—

(*a*) fails to undertake production or dispatch; or

(*b*) having commenced the production and dispatch, discontinues the same,

before the end of the extended period, such lease shall lapse from the date of its execution or, as the case may be, discontinuance of production or dispatch.]

8. Reservation of areas.—(*1*) The Central Government may, from time to time, by notification in the Official Gazette, reserve any offshore area not already held under any operating right, for the purposes of

1. Subs. by Act 17 of 2023, s. 5, for "that it is expedient in the interest of" (w.e.f. 17-8-2023).
2. Ins. by s. 5, *ibid*. (w.e.f. 17-8-2023).
3. Subs. by s. 5, *ibid*., for "opportunity of being heard" (w.e.f. 17-8-2023).
4. Subs. by s. 5, *ibid*., for "condone such non-commencement or discontinuation." (w.e.f. 17-8-2023).
5. Ins. by s. 5, *ibid*. (w.e.f. 17-8-2023).

the Central Government and, where it proposes to do so, it shall, by notification in the Official Gazette, specify the boundaries of such area and the mineral or minerals in respect of which such area shall be reserved.

(*2*) The Central Government may, from time to time, by notification in the Official Gazette, dereserve, any area reserved under sub-section (*1*), in the interest of development and regulation of the offshore mineral.

[1][(*3*) Where the Central Government reserves any offshore area under sub-section (*1*), the administering authority may, subject to such terms and conditions as may be prescribed, grant a composite licence, or a production lease, in such area or any part thereof to the Government, or a Government company, or a corporation.

(*4*) A composite licence or a production lease granted to the Government, or a Government company, or a corporation under sub-section (*3*) shall be subject to the same terms and conditions applicable to a licensee or a lessee, as the case may be, except the procedure specified for grant of a composite licence under section 12 or a production lease under section 13.

(*5*) Where a Government company, or corporation is desirous of carrying out the exploration operation or production operation in a joint venture with other persons, the joint venture partner shall be selected through a competitive process, and such Government company or corporation shall hold more than seventy-four per cent. of the paid up share capital in such joint venture.]

9. Power to close areas.—(*1*) The Central Government may, in the public interest, by order in writing and communicated to the permittee, licensee or lessee, as the case may be, close any area either in part or whole, covered under any operating right, for [2][such period as may be specified in the order, for] the preservation of natural environment and prevention of pollution, or to avoid danger to public health, or communication, or to ensure safety of any offshore structure or platform, or for the conservation of [3][offshore mineral, or for regulation of offshore areas, or for national security] or for any other strategic consideration.

(*2*) Any area, either in part or whole closed under sub-section (*1*) and included in any operating right, shall, from the date of such order, be deemed to be excluded for the purposes of the operating right [2][for such period as may be specified in the order] and the holder of the operating right shall not undertake any operation in the area covered under such order [4][during the period of closure specified therein].

10. Availability of areas for grant of permit, licence or lease.—[5][Within six months] from the date of commencement of this Act, and subsequently at such times as may be considered necessary in this behalf by the administering authority, it shall, by notification in the Official Gazette, declare the parts of the offshore areas which shall be available for grant of [6][reconnaissance permit, or exploration licence, or composite licence, or production lease].

[7][* * * * *]

11. [*Grant of reconnaissance permit.*]— *Omitted by the Offshore Areas Mineral* (*Development and Regulation*) *Amendment Act*, 2023 (17 *of* 2023), *s.* 9 (*w.e.f.* 17-8-2023).

[8][12. Grant of composite licence.—(*1*) The administering authority may, in respect of an offshore area where the existence of mineral resources has not been adequately established for grant of a production lease as required by the second proviso to section 6, after inviting applications in this behalf, select any person for grant of a composite licence, who—

(*a*) fulfils the eligibility conditions as specified in this Act and such conditions as may be prescribed; and

(*b*) is selected through auction by method of competitive bidding, including e-auction, conducted on the basis of such terms and conditions, manner and bidding parameters, as may be prescribed.

1. Ins. by Act 17 of 2023, s. 6 (w.e.f. 17-8-2023).
2. Ins. by s. 7, *ibid*. (w.e.f. 17-8-2023).
3. Subs. by s. 7, *ibid*., for "offshore mineral, or for national security" (w.e.f. 17-8-2023).
4. Subs. by s. 7, *ibid*., for "from the date specified therein" (w.e.f. 17-8-2023).
5. Subs. by s. 8, *ibid*., for "(*1*) Within six months" (w.e.f. 17-8-2023).
6. Subs. by s. 8, *ibid*., for "reconnaissance permit, exploration licence or production lease" (w.e.f. 17-8-2023).
7. Sub-section (*2*) and (*3*) omitted by s. 8, *ibid.* (w.e.f. 17-8-2023).
8. Subs. by s. 10, *ibid*., for sections 12 and 13 (w.e.f. 17-8-2023).

(*2*) The Central Government shall grant the composite licence to the person selected in accordance with the procedure laid down in sub-section (*1*).

(*3*) The licensee shall complete the exploration operations satisfactorily, as specified in the notice inviting applications, within a period of three years from the date of grant of the composite licence:

Provided that the administering authority may, on an application made by the licensee three months before the lapse of the said period, for reasons to be recorded in writing and subject to such conditions as may be prescribed, grant an extension for a period of two years to the licensee for satisfactory completion of the exploration operations:

Provided further that no further extension shall be granted upon expiry of the extended period, if any, granted under the first proviso.

(*4*) The area granted under a composite licence shall comprise of contiguous standard blocks, which in aggregate do not exceed an area of thirty minutes latitude by thirty minutes longitude.

(*5*) Every licensee shall, on being granted a composite licence, commence and carry out exploration operation subject to such terms, milestones and relinquishment requirements, as may be prescribed.

(*6*) A licensee, who has adequately established the existence of mineral resources in an offshore area held under the composite licence, or part thereof, as required by the second proviso to section 6, shall, within the period specified or extended under sub-section (*3*), subject to such terms and conditions, and on making an application to the administering authority in such form, as may be prescribed, be granted one or more production leases:

Provided that such licensee—

(*a*) is not in breach of the terms and conditions of his composite licence;

(*b*) continues to be eligible for grant of a production lease in accordance with section 6; and

(*c*) has applied for grant of production lease within six months of completion of his exploration operations:

Provided further that the total area of such production lease or production leases, granted in pursuance of a single composite licence, shall not exceed fifteen minutes latitude by fifteen minutes longitude.

(*7*) The administering authority shall, on receipt of an application under sub-section (*6*), and on being satisfied that the licensee meets the requirements under the provisions of this Act and the rules made thereunder, recommend to the Central Government for grant of production lease to such licensee.

(*8*) The Central Government shall, on receipt of a recommendation under sub-section (*7*) from the administering authority, grant production lease to the licensee in accordance with such procedure as may be prescribed.

(*9*) Every production lease granted in pursuance of a composite licence shall be for a period of fifty years.

(*10*) All rights and interests held under a composite licence in the parts of an offshore area, in respect of which no production lease is granted, shall cease to exist upon expiry of the composite licence.

(*11*) The provisions of this section shall not apply to—

(*a*) the areas covered under section 8; and

(*b*) the minerals specified in Part B of the First Schedule to the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), where the grade of atomic mineral is equal to or greater than such threshold value, as the Central Government may, by notification in the Official Gazette, specify.

13. Grant of production lease.— (*1*) The administering authority may, in respect of an offshore area where the existence of mineral resources has been adequately established for grant of production lease as required by the second proviso to section 6, after inviting applications in this behalf, select any person for grant of a production lease, who—

(*a*) fulfils the eligibility conditions as specified in this Act and such conditions as may be prescribed; and

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(*b*) is selected through auction by method of competitive bidding, including e-auction, conducted on the basis of such terms and conditions, manner and bidding parameters, as may be prescribed.

(*2*) The Central Government shall grant the production lease to the applicant selected in accordance with the procedure laid down under sub-section (*1*).

(*3*) Every production lease under this section shall be granted for a period of fifty years.

(*4*) The area under a production lease shall comprise of contiguous standard blocks and shall not exceed an area of fifteen minutes latitude by fifteen minutes longitude.

(*5*) Upon grant of a production lease, the lessee shall commence and carry out production operation in such manner and subject to such terms and conditions, as may be prescribed.

(*6*) The provisions of this section shall not apply to—

(*a*) the areas covered under section 8; and

(*b*) the minerals specified in Part B of the First Schedule to the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), where the grade of atomic mineral is equal to or greater than such threshold value, as the Central Government may, by notification in the Official Gazette, specify.]

[1][**13A. Maximum area for which operating rights may be granted**.—(*1*) Notwithstanding anything contained in section 12 or section 13, no person shall acquire in respect of any mineral or a group of associated minerals, as may be prescribed, one or more exploration licence, composite licence and production lease, all taken together and covering a total area of more than forty-five minutes latitude by forty-five minutes longitude:

Provided that if the Central Government is of the opinion that in the interest of the development of any mineral or industry, it is necessary so to do, it may, for the reasons to be recorded in writing, increase or decrease the said area limit in respect of any mineral or any specified category of deposits of such mineral or such group of associated minerals.

(*2*) For the purposes of this section, a person acquiring by, or in the name of, another person an operating right which is intended for himself, shall be deemed to be acquiring it himself.

(*3*) For the purposes of determining the total area referred to in sub-section (*1*), the area held under an operating right by a person as a member of a co-operative society, or a company, or a corporation, or a Hindu undivided family, or a partner of a firm, shall be deducted from the area referred to in sub-section (*1*) so that the sum total of the area held by such person, under an operating right, whether as such member or partner, or individually, may not, in any case, exceed the total area specified in sub-section (*1*).

13B. Transfer of composite licence or production lease.— (*1*) A composite licence or a production lease granted under section 8, or through competitive bidding under section 12 or section 13, may be transferred by the relevant licensee or lessee, as the case may be, in such manner and subject to such conditions, as may be prescribed, to any person eligible for grant of such licence or lease, under the provisions of this Act:

Provided that no such transfer of a composite licence or a production lease shall be made in contravention of any conditions, subject to which such licence or lease was granted.

Explanation.—For the purposes of this sub-section, it is clarified that transfer may include one or more production leases, granted pursuant to one composite licence.

(*2*) The provisions of this Act, the rules made thereunder and the terms and conditions of a composite licence or a production lease, shall be binding upon the person to whom such licence or lease, as the case may be, is transferred under sub-section (*1*).

13C. Certain applications and exploration licence to become ineligible.—(*1*) On and from the date of commencement of the Offshore Areas Mineral (Development and Regulation) Amendment Act, 2023, auction being the sole method of selection for grant of composite licence or production lease under sections 12 and 13,—

1. Ins. by Act 17 of 2023, s. 11 (w.e.f. 17-8-2023).

(*a*) all applications received prior to the said date of commencement for grant of composite licence or production lease shall become ineligible;

(*b*) any exploration licence granted prior to the said date of commencement shall become ineligible for grant of production lease over the offshore area covered by such exploration licence.

(*2*) The provisions of sub-section (*1*) shall be applicable notwithstanding anything contained in this Act, or any order or direction to the contrary, passed by any court or authority, prior to the commencement of the Offshore Areas Mineral (Development and Regulation) Amendment Act, 2023.]

14. Period of commencement of operating rights.—A holder of operating right shall commence operation within the period specified below after the grant of the operating right and shall thereafter conduct such operation in proper, skilful and workman-like manner, as follows:—

(*a*) reconnaissance permit	—	six months;
[1][(*aa*) composite licence	—	one year;]
(*b*) exploration licence	—	one year; and
(*c*) production lease	—	two years.

15. Power of Central Government to authorise survey, research and scientific investigations in areas covered under operating rights.—Any person or agency authorised by notification in the Official Gazette, by the Central Government in this behalf, may conduct survey, research, diving operations and scientific investigations in the offshore areas, including any area covered under operating rights and the permittee, licensee or lessee, as the case may be, shall permit such person or agency to undertake the said investigations in their respective areas and to render such assistance as may be necessary for conduct of the investigations.

16. Royalty.—(*1*) A lessee shall pay royalty to the Central Government in respect of any mineral removed or [2][consumed from the area covered under his production] lease, at the rate for the time being specified in the First Schedule in respect of that mineral.

(*2*) The Central Government may, by notification in the Official Gazette, amend the First Schedule so as to enhance or reduce the rate at which royalty shall be payable in respect of any mineral with effect from such date as may be specified in the notification:

Provided that the Central Government shall not enhance the rate of royalty in respect of any mineral more than once during any period of three years.

[3][**16A. Establishment of Offshore Areas Mineral Trust.—**(*1*) The Central Government shall, by notification in the Official Gazette, establish a Trust, as a non-profit autonomous body, to be called the Offshore Areas Mineral Trust.

(*2*) The object of the Offshore Areas Mineral Trust shall be to use the funds accrued to it for the following purposes, namely:—

(*a*) research, administration, studies and related expenditure with respect to offshore areas and mitigation of any adverse impact that may be caused to the ecology in the offshore area, due to operations undertaken; or

(*b*) providing relief upon the occurrence of any disaster in the offshore area; or

(*c*) the purposes of exploration in the offshore area; or

(*d*) for the interest and benefit of persons affected by exploration or production operations undertaken; or

(*e*) such other purposes, as may be prescribed.

(*3*) The composition and functions of the Offshore Areas Mineral Trust shall be such as may be prescribed.

1. Ins. by Act 17 of 2023, s. 12 (w.e.f. 17-8-2023).
2. Subs. by s. 13, *ibid*., for "consumed by him from the area covered under the production" (w.e.f. 17-8-2023).
3. Ins. by s. 14, *ibid*. (w.e.f. 17-8-2023).

(*4*) The funds accrued to the Offshore Areas Mineral Trust shall be non-lapsable under the public account of India and be administered in such manner as may be prescribed.

(*5*) A lessee shall pay, in addition to the royalty, to the Offshore Areas Mineral Trust, an amount which is equivalent to such percentage of the royalty paid in terms of the First Schedule, not exceeding one-third of such royalty, in such manner as may be prescribed.

(*6*) The entities specified and notified under sub-section (*1*) of section 5 shall be eligible for funding under the Offshore Areas Mineral Trust, subject to such conditions as may be specified by the Central Government.]

17. Fixed rent.—(*1*) A lessee shall pay to the Central Government, every year, fixed rent in respect of the area covered under the production lease, at the rate for the time being specified in the Second Schedule:

Provided that where the lessee becomes liable under section 16 to pay royalty for any mineral removed or [1][consumed from the area] covered under such lease, he shall be liable to pay either such royalty or the fixed rent in respect of that area, whichever is greater.

(*2*) The Central Government may, by notification in the Official Gazette, amend the Second Schedule so as to enhance or reduce the rate at which fixed rent shall be payable in respect of any area covered under a production lease and such enhancement or reduction shall take effect from such date as may be specified in the notification:

Provided that the Central Government shall not enhance the rate of the fixed rent more than once during any period of three years.

18. Contribution towards International Seabed Authority.—[2][Every lessee shall, in addition to other payments required under this Act, pay to the Central Government in advance, the amount to be paid to the International Seabed Authority in respect of the offshore area granted under his production lease falling in such part of the continental shelf extending beyond two hundred nautical miles, from the baseline from which the breadth of the territorial sea is measured, towards fulfilment of the obligation of the Government of India under Article 82 of the United Nations Convention on the Law of the Sea, 1982.]

19. Safety of persons and property.—(*1*) The permittee, licensee, lessee or any other person undertaking the reconnaissance operation or exploration operation or production operation under sub-section (*1*) of section 5 or any agency undertaking the reconnaissance operation or exploration operation under the proviso to sub-section (*1*) of the said section shall be responsible to ensure that the concerned operation is conducted with due regard to the safety and health of persons including divers and safety and security of property engaged in the operation.

(*2*) The Central Government may, by notification in the Official Gazette, declare safety zones in respect of offshore activities as may be necessary and prescribe the norms for regulating the safety and health of persons and safety of property engaged in operations authorised under this Act, the implementation thereof and matters connected therewith.

(*3*) In the event of any contravention of provisions of sub-section (*1*) or the norms prescribed under sub-section (*2*) by the permittee, licensee, lessee or any other person undertaking the reconnaissance operation or exploration operation or production operation under sub-section (*1*) of section 5, or any other agency undertaking the reconnaissance operation or exploration operation under the proviso to sub-section (*1*) of the said section, shall also be deemed to be responsible for such contravention unless he or it proves that he or it, as the case may be, had taken all reasonable precautions within his or its means for enforcing those provisions, to prevent such contravention.

[3][**19A. Duty of Central Government on mineral conservation and development.**—The Central Government shall take necessary steps, as may be prescribed, for the conservation and systematic development of minerals in the offshore areas and for the protection of environment by preventing or controlling any pollution which may be caused by exploration or production operations.]

20. Prevention and control of pollution and protection of marine environment.—(*1*) Every holder of the operating rights shall carry out the operations authorised under this Act subject to the

1. Subs. by Act 17 of 2023, s. 15, for "consumed by him from the area" (w.e.f. 17-8-2023).
2. Subs. by s. 16, *ibid*., for section 18 (w.e.f. 17-8-2023).
3. Ins. by s. 17, *ibid*. (w.e.f. 17-8-2023).

provisions of this Act and the rules made thereunder and any other law and the rules made thereunder, for the time being in force for the prevention and control of pollution and protection of marine environment.

(*2*) Every holder of an operating right shall be liable for any pollution of, or damage to, the marine environment resulting from his activities relating to his operating right in the offshore areas and shall pay such compensation, as may be determined by the administering authority keeping in view the extent of pollution or damage, as the case may be.

(*3*) The Central Government may prescribe measures to be taken for prevention and control of pollution and protection of marine environment due to activities in the offshore areas.

21. Power of Central Government and administering authority to issue directions.—(*1*) The permittee, licensee or lessee shall comply with such directions as the Central Government or the administering authority may issue, from time to time, for the conservation and systematic development of offshore minerals, prevention of pollution, protection of marine environment, prevention of coastal erosion or prevention of danger to life or property including the marine life.

(*2*) The permittee, licensee or lessee shall comply with such directions as may be issued from time to time by the competent authority or Coast Guard regarding national security, safety and national integrity.

Explanation.—"competent authority" means the competent authority appointed for the purposes of sub-section (*2*) by the Central Government in the Ministry dealing with defence of India.

CHAPTER III

POWER OF ENTRY, INSPECTION, SEARCH AND SEIZURE

22. Power of entry, inspection, search and seizure.—(*1*) For the purpose of ascertaining the position of the working, actual or prospective, of any mine or abandoned mine, or for any other purpose connected with this Act or the rules made thereunder, any officer authorised, by the Central Government in this behalf, by general or special order, may—

(*a*) enter and inspect, at all reasonable times, any mine;

(*b*) weigh, draw samples or take measurements of the stocks of minerals recovered from any mine;

(*c*) survey and take samples and measurements in any such mine;

(*d*) examine any document, book, register or record in the possession or power of any person having the control of, or connected with, any mine and place marks of identification thereon and take extracts from, or make copies of, such document, book, register or record;

(*e*) order the production of any such document, book, register and record, by the person referred to in clause (*d*); and

(*f*) examine any person having the control of, or connected with, any mine.

(*2*) Any authorised officer may, for the purpose of ascertaining whether or not the requirements of this Act or any rule made thereunder have been complied with, either with, or where it is not possible to obtain warrant conveniently, then, without, a warrant, —

(*a*) search any mine;

(*b*) stop or board and search any vessel which is engaged or which is likely to be engaged in any activity regulated under this Act; and

(*c*) require the person for the time being having command or charge of mine or such vessel to produce any licence, permit, log book or other document relating, to the vessel or mine and examine or take copies of such licence, permit, log book or other document, as the case may be, for ascertaining the requirements of sub-section (*1*).

(*3*) Where the authorised officer has reason to believe that any vessel or mine has been, or is being, or is about to be, used or employed, as the case may be, in violation of any provision of this Act or rule made thereunder, he may, with, or where it is not possible to obtain warrant conveniently, then, without, a warrant,—

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(*a*) seize and detain such vessel or mine, including any gear, equipment, stores or cargo found on board such vessel or belonging to the vessel and seize any mineral found on board the vessel;

(*b*) seize any evidence relating to violation of any provision of this Act or rule made thereunder;

(*c*) require the person for the time being having command or charge of the vessel, platform or erection of the mine so seized or detained to bring such vessel, platform or erection to any specified port;

(*d*) arrest any person whom such officer has reason to believe, has committed such violation:

Provided that the authorised officer, after arresting such person and before producing him before the competent court, shall inform the administering authority regarding the arrest and grounds of arrest communicated to the person so arrested.

(*4*) In taking any action under sub-section (*3*), the authorised officer may use such force as may be reasonably necessary.

(*5*) Where any vessel or other things are seized or detained, under sub-section (*3*),—

(*a*) the vessel or other things so seized or detained shall, as soon as possible, be produced before the court competent to try an offence under this Act and the court shall make such order as it may deem fit for the retention or custody of such vessel or things with the Central Government or any other authority pending the completion of any proceedings for the prosecution of any offence relating to such vessel or things, as the case may be, under this Act or rules made thereunder:

Provided that the court may, on an application made by the owner or the person for the time being having command or charge of the vessel or mine, order the release of the vessel or other things so seized or detained, to the owner or the person for the time being having command or charge of the vessel or mine, furnishing security in the form of cash or a bank guarantee for an amount which is not less than fifty per cent. of the value of the vessel or things so seized or detained;

(*b*) the administering authority shall be informed by the authorised officer of such seizure and the details thereof.

(*6*) Where, in pursuance of the commission of any offence under this Act, any vessel is pursued beyond the limits of the offshore area, the powers conferred on an authorised officer by this section may be exercised beyond such limits in the circumstances and to the extent recognised by international law and State practice.

(*7*) Every person to whom an order or warrant is issued or given by virtue of the powers conferred by this section shall be legally bound to comply with such order or warrant.

Explanation.—For the purposes of this section,—

(*i*) "authorised officer" means an officer of the Central Government notified as such in the Official Gazette, by the Central Government;

(*ii*) "warrant" means a warrant issued by the Judicial Magistrate or the Metropolitan Magistrate, as the case may be, within whose jurisdiction the place, where the warrant is to be executed, is situated.

CHAPTER IV

OFFENCES

23. Offences.—(*1*) [1][(*a*) whoever undertakes any reconnaissance operation, or exploration operation, or production operation in an offshore area without a reconnaissance permit, or a composite licence, or an exploration licence, or a production lease, as the case may be, shall be punishable with imprisonment for a term which may extend to five years, or with fine of five lakh rupees, which may extend to ten lakh rupees, or with both;

[2]* * * * *

1. Subs. by Act 17 of 2023, s. 18, for cls. (*a*) and (*b*) (w.e.f. 17-8-2023).
2. Cl. (*b*) omitted by Act 8 of 2026, s. 2 and Sch. (w.e.f. 1-8-2026).

Explanation.—For the purposes of [1][clauses (*a*)], the amount of fine provided shall be in respect of each standard block of such part of the offshore area where such reconnaissance operation, or exploration operation, or production operation is undertaken.]

(*c*) Any vessel, together with its gear, boats, stores and cargo, used or employed in violation of section 5, along with any mineral recovered or processed in violation of that section, if any, shall be confiscated.

(*d*) Whoever ships, transports, offers for sale, sells, purchases, imports, exports, or has custody, control or possession of, any mineral recovered, processed or retained in violation of this Act or any rule made thereunder shall be [2][punishable] with imprisonment which may extend to three years, or [3][with fine of twenty-five lakh rupees, which may extend to fifty lakh rupees], or with both.

(*2*) Whoever—

(*a*) intentionally obstructs any authorised officer referred to in section 22 in the exercise of any powers conferred under this Act; or

(*b*) fails to afford reasonable facilities to the authorised officer referred to in section 22 or his assistant to board the vessel or enter the mine or to provide for adequate security to such officer or assistant at the time of entry into the vessel or mine or when they are on board such vessel or mine; or

(*c*) fails to stop the vessel or mine or to produce the licence, permit, log book or any other document, as the case may be, on board such vessel, or mine, when required to do so by the authorised officer referred to in section 22; or

(*d*) interferes with, delays, or prevents, by any means, the lawful apprehension of any person under this Act,

shall be [4][punishable with imprisonment which may extend to five years, or with fine of two lakh rupees, which may extend to five lakh rupees], or with both.

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[5][(*2A*) Whoever, having been convicted of an offence under sub-section (*1*) or sub-section (*2*), is again convicted of an offence under that sub-section, shall, in addition to the punishment provided therefor, be punishable with additional fine which may extend to one lakh rupees for each day during which he continues to commit that offence.]

[6][(*3*) Whoever contravenes the provisions of the rules made under clause (*pa*) of sub-section (*2*) of section 35 shall be punishable with imprisonment for a term which may extend to two years or with fine which shall not be less than fifty lakh rupees, which may extend to one crore rupees, or with both, and in the case of a continuing contravention, with additional fine which may extend to five lakh rupees for every day during which such contravention continues after conviction for the first such contravention.

(*4*) Where any person fails to pay the penalty or the additional penalty, as the case may be, imposed under the provisions of section 28 within ninety days of such imposition, he shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the penalty or additional penalty so imposed or with both.]

24. Offences by companies.—(*1*) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was directly in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

1. Subs. by Act 8 of 2026, s. 2 and Sch., for "clauses (*a*) and (*b*)" (w.e.f. 1-8-2026).
2. Subs. by Act 17 of 2023, s. 18, for "punished" (w.e.f. 17-8-2023).
3. Subs. by s. 18, *ibid*., for "with fine which may extend to fifty lakh rupees" (w.e.f. 17-8-2023).
4. Subs. by s. 18, *ibid*., for "punished with imprisonment for a term which may extend to five years, or with fine which may extend to fifty thousand rupees" (w.e.f. 17-8-2023).
5. Ins. by s. 18, *ibid*. (w.e.f. 17-8-2023).
6. Subs. by Act 8 of 2026, s. 2 and Sch., for sub-sections (*3*) and (*4*) (w.e.f. 1-8-2026).

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge and that he had exercised all due diligence to prevent the commission of such offence.

(*2*) Notwithstanding anything contained in sub-section (*1*), where an offence under this Act, has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of, any director, manager, secretary, or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(*a*) "company" means any body corporate and includes a firm or other association of individuals; and

(*b*) "director", in relation to a firm, means a partner in the firm.

25. Place of trial.—Notwithstanding anything contained in other law for the time being in force, any person committing an offence under this Act or any rule made thereunder or under any of the enactment extended under this Act or under the rules made thereunder shall be tried for the offence in such place as the Central Government may, by general or special order published in the Official Gazette, direct in this behalf.

26. Previous sanction of Central Government for prosecution.—No prosecution for an offence committed under this Act shall be instituted except with the previous sanction of the Central Government or such officer or authority as may be authorised by the Central Government, by order in writing in this behalf.

27. Offences triable by Court of Session.—Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), all offences under this Act shall be triable by the Court of Session.

[1][CHAPTER V

PENALTY AND ADJUDICATION

28. Penalty and adjudication.—(*1*) Whoever,—

(*a*) contravenes any provision of this Act, other than those covered under sub-sections (*1*), (*2*) and (*3*) of section 23;

(*b*) contravenes the provisions of the rules made under this Act [except rules made under clause (*pa*) of sub-section (*2*) of section 35];

(*c*) contravenes the terms and conditions of the operating right granted to him; or

(*d*) fails to furnish the required data, or information, or document under sub-section (*2*) of section 5 in the manner provided therein,

shall be liable to penalty which shall not be less than ten lakh rupees but which may extend to one crore rupees.

(*2*) Where any person continues contravention under sub-section (*1*), even after direction of adjudicating officer appointed under sub-section (*3*) regarding such contravention, he shall be liable to additional penalty of one lakh rupees for every day during which such contravention continues.

(*3*) For the purpose of adjudication of penalties under sub-section (*1*), the Central Government shall appoint an officer not below the rank of Deputy Secretary to the Government of India to be the adjudicating officer, for holding an inquiry and imposing the penalty in the manner as may be prescribed:

Provided that the Central Government may appoint as many adjudicating officers as may be required:

Provided further that no such penalty shall be imposed without giving the person concerned a reasonable opportunity of being heard.]

1. Subs. by Act 8 of 2026, s. 2 and Sch., for Chapter V (w.e.f. 1-8-2026).

CHAPTER VI

MISCELLANEOUS

29. Extension of enactments to offshore areas.—The Central Government may, by notification in the Official Gazette,—

(*a*) extend with such restrictions and modifications as it thinks fit, any enactment for the time being in force in India or any part thereof to the offshore area or any part thereof; and

(*b*) make such provisions as it may consider necessary for facilitating the enforcement of such enactment,

and any enactment so extended shall have effect as if the offshore area or the part thereof, as the case may be, is a part of the territory of India.

30. Compounding of offences.—(*1*) Any offence punishable under this Act may, either before or after the institution of the prosecution, be compounded by the administering authority or any other officer authorised by the Central Government with respect to that offence, on payment for credit to that Government of such sum as that administering authority or officer, as the case may be, may specify:

Provided that such sum shall not, in any case, exceed the maximum amount of the fine which may be imposed under this Act for the offence so compounded.

(*2*) Where an offence is compounded under sub-section (*1*), no proceeding or further proceeding, as the case may be, shall be taken against the offender in respect of the offence so compounded and the offender, if in custody, shall be released forthwith.

31. Recovery of certain sums as arrears of land revenue.—Any licence fee, royalty, fixed rent or other sum due to the Central Government under this Act or rules made thereunder or under the terms and conditions of a reconnaissance permit, exploration licence or production lease may, on a certificate issued by the administering authority, be recovered in the same manner as if it were an arrear of land revenue and every such sum together with the interest due thereon, shall be the first charge on the assets of the permittee, licensee or lessee, as the case may be.

32. Delegation of powers.—The Central Government may, by notification in the Official Gazette, direct that any power exercisable by it under this Act or any rule made thereunder may, in relation to such matter and subject to such conditions, if any, as may be specified in the notification, be exercisable also by such officer or authority subordinate to that Government as may be specified in the notification.

33. Protection of action taken in good faith.—No suit, prosecution or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act or any rule made thereunder.

34. Appeals.—(*1*) Subject to the provisions of sub-section (*2*), any person aggrieved by an order made by the administering authority or any officer under this Act or the rules made thereunder may prefer an appeal against such order to [1][an officer not below the rank of Joint Secretary to the Government of India, appointed by the Central Government as an appellate authority].

(*2*) Every such appeal shall be preferred within prescribed period from the date on which the impugned order was made:

Provided that the [2][appellate authority] may, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal within such prescribed period, permit the appellant to prefer the appeal within a further period as may be prescribed.

(*3*) On receipt of any such appeal, the [2][appellate authority] shall, after giving the parties to the appeal a reasonable opportunity of being heard and after making such inquiry as it deems proper, make such order, as it may think fit, confirming, modifying or reversing the order appealed against, or may send back the case with such direction as it may think fit for a fresh order after taking additional evidence, if necessary.

[3][**34A. Power of revision by Central Government**.—The Central Government may, of its own motion and for reasons to be recorded in writing, and in accordance with such terms as may be prescribed,

1. Subs. by Act 8 of 2026, s. 2 and Sch., for "the Central Government" (w.e.f. 1-8-2026).
2. Subs. by s. 2 and Sch., *ibid.,* for "Central Government" (w.e.f. 1-8-2026).
3. Ins. by Act 17 of 2023, s. 20 (w.e.f. 17-8-2023).

revise any order made by the administering authority or any officer under this Act or the rules made thereunder.

34B. Power of Central Government to issue directions.—Notwithstanding anything contained in this Act, the Central Government may give such directions to the administering authority, as it may deem necessary, in public interest, strategic interest of the country, conservation and development of mineral, or to carry out the provisions of this Act or the rules made thereunder.

34C. Power of Central Government to call for information.—The Central Government may, for the purposes of this Act, require—

(*a*) the administering authority; or

(*b*) a permittee or a licensee or a lessee; or

(*c*) any person whom it has reason to believe to be connected with any activity in respect of minerals in the offshore area,

to furnish such information as it may deem necessary for, or relevant to, any enquiry or proceeding, under this Act.]

35. Power to make rules.—(*1*) The Central Government may, by notification in the Official Gazette, make rules for the purposes of this Act.

(*2*) Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) the terms and conditions of a reconnaissance permit, exploration licence or production lease under sub-section (*1*) of section 5;

[1][(*aa*) such other authority to whom, all exploration and operational data, reports, samples and other information in respect of or collected pursuant to an operation, is to be furnished by the lessee, licensee or permittee the manner and the period within which, they are to be furnished, under clause (*a*) of sub-section (*2*) of section 5;

(*ab*) the terms and conditions subject to which the data, reports, samples or information is to be disseminated pursuant to a sale or otherwise under clause (*b*) of sub-section (*2*) of section 5;]

(*b*) conditions for grant of operating right under clause (*b*) of section 6;

[2][(*c*) the conditions and manner for regulating the grant of mineral concessions in respect of minerals specified in Part B of the First Schedule to the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), under the first proviso to section 6;

(*ca*) the parameters for adequately establishing existence of mineral resources under the second proviso to section 6;]

[3]* * * * *

[2][(*ja*) the terms and conditions for grant of a composite licence or a production lease to a Government company or corporation under section 8;

(*jb*) the eligibility conditions to be fulfilled, the terms and conditions for conducting competitive bidding, the manner and bidding parameters for grant of a composite licence under sub-section (*1*) of section 12;

(*jc*) the conditions subject to which extension is to be granted to the licensee for completion of the exploration operations under the first proviso to sub-section (*3*) of section 12;

(*jd*) terms, milestone and relinquishment requirements for commencing and carrying out exploration operation under sub-section (*5*) of section 12;

(*je*) the form of application to be made to the administering authority for grant of production lease under sub-section (*6*) and the procedure therefor under sub-section (*8*) of section 12;

1. Ins. by Act 17 of 2023, s. 21 (w.e.f. 17-8-2023).
2. Subs. by s. 21, *ibid*., for cl. (*c*) (w.e.f. 17-8-2023).
3. Cls. (*d*) to (*j*) omitted by s. 21, *ibid.* (w.e.f. 17-8-2023).

(*jf*) eligibility conditions to be fulfilled, the terms and conditions for conducting competitive bidding, the manner and bidding parameters for grant of a production lease under sub-section (*1*) of section 13;

(*jg*) the terms and conditions subject to which the production operations shall be commenced and carried out under sub-section (*5*) of section 13;

(*jh*) the group of associated minerals to be specified under sub-section (*1*) of section 13A;

(*ji*) the manner and the conditions for transfer of a composite licence or a production lease under section 13B;

(*jj*) such other purposes for which the funds accrued to the Offshore Area Mineral Trust shall be used under sub-section (*2*) of section 16A;

(*jk*) the composition and functions of the Offshore Area Mineral Trust under sub-section (*3*) of section 16A;

(*jl*) the manner of administration of funds accrued to the Offshore Area Mineral Trust under sub-section (*4*) of section 16A;

(*jm*) the manner of payment of amounts to the Offshore Area Mineral Trust under sub-section (*5*) of section 16A;]

(*k*) norms for regulating the safety and health of persons and safety of property engaged in operations authorised under this Act, the implementation thereof and matters connected therewith under sub-section (*2*) of section 19;

[1][(*ka*) the steps necessary to be taken for conservation and systematic development of minerals in the offshore areas and for the protection of environment by preventing or controlling any pollution which may be caused by exploration or production operations under section 19A;]

(*l*) the measures to be taken for prevention and control of pollution and protection of marine environment due to activities in the offshore areas under sub-section (*3*) of section 20;

[2][(*m*) the manner of holding an inquiry and imposing penalty under sub-section (*3*) of section 28;]

[3]* * * * *

(*p*) the period within which appeal shall be preferred under, and the further period which may be permitted under the proviso to, sub-section (*2*) of section 34;

[1][(*pa*) the measures to be taken for preventing illegal mining, transportation, and storage of minerals and for the purposes connected therewith;]

(*q*) any other matter which is to be, or may be, prescribed under this Act.

(*3*) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

[36. *Relaxation in specific cases*.]— *Omitted by the Offshore Areas Mineral (Development and Regulation* (*Amendment*) *Act,* 2023 (17 *of* 2023)*, s.* 22 (*w.e.f.* 17-8-2023).

37. Persons to be public servants.—The administering authority or any other officer shall be deemed, while acting or purporting to act in pursuance of any of the provisions of this Act, to be public servants within the meaning of the Indian Penal Code (45 of 1860).

38. Removal of difficulties.—(*1*) If any difficulty arises in giving effect to the provisions of this Act, or of any of the enactments extended under section 29, the Central Government may, by order published

1. Ins. by Act 17 of 2023, s. 21 (w.e.f. 17-8-2023).
2. Subs. by Act 8 of 2026, s. 2 and Sch., for cl. (*m*) (w.e.f. 1-8-2026).
3. Cls. (*n*) and (*o*) omitted by s. 2 and Sch., *ibid*. (w.e.f. 1-8-2026).

in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or, as the case may be, of such enactment, as may appear to it to be necessary or expedient for removing the difficulty:

Provided that no order shall be made under this section,—

(*a*) in the case of any difficulty arising in giving effect to any provision of this Act, after the expiry of three years from the commencement of such provision;

(*b*) in the case of any difficulty arising in giving effect to the provisions of any enactment extended under section 29, after the expiry of three years from the extension of such enactment.

(*2*) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

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THE FIRST SCHEDULE

[*See* section 16(*1*)]

RATES OF ROYALTY

1.	Brown ilmenite (leucoxene), Ilmenite, Rutile and Zircon	Two per cent. of sale price on *ad valorem* basis.
2.	Dolomite	Forty rupees per tonne.
3.	Garnet	Three per cent. of sale price on *ad valorem* basis.
4.	Gold	One and half per cent. of London Bullion Market Association price (commonly referred to as "London Price") chargeable on the contained gold metal in ore produced.
5.	Limestone and Lime mud	Forty rupees per tonne.
6.	Manganese Ore	Three per cent. of sale price on *ad valorem* basis.
7.	Monazite	One hundred and twenty-five rupees per tonne.
8.	Sillimanite	Two and half per cent. of sale price on *ad valorem* basis.
9.	Silver	Five per cent. of London metal Exchange price chargeable on the contained silver metal in ore produced.
10.	All other minerals not hereinbefore specified.	Ten per cent. of sale price on *ad valorem* basis.

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THE SECOND SCHEDULE

[*See* section 17(*1*)]

RATES OF FIXED RENT

Rates of fixed rent in rupees per standard block per annum

Size	1st Year of the lease	2nd to 5th year of the lease	6th to 10th year of the lease	11th year of the lease and onwards
[1][Standard block of 1 minute longitude by 1 minute latitude]	Nil	Rupees 50,000	Rupees 1,00,000	Rupees 2,00,000

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1. Subs. by Act 17 of 2023, s. 23, for entries in column (1) (w.e.f. 17-8-2023).

STATEMENT OF OBJECTS AND REASONS

India has approximately 3.3 million square kilometres of land area with a coast line of 8041 kilometres. The area of the Exclusive Economic Zone is 2.02 million square kilometres and in terms of the UN Convention on the Law of the Sea, 1982, the coastal states have specific rights and jurisdiction, *inter alia*, for exploring and exploiting the natural resources over the continental margin, which will add about 0.80 million square kilometres in addition to the area of Exclusive Economic Zone. In India, beach placer deposits have been economically exploited since long. The mining and processing of different minerals obtained from these placer deposits into valuable products are also well established. India is richly endowed in mineral sands in the Eastern and Western Coasts. Heavy mineral sand containing mostly ilmenite with some rutile, leucoxene (a decomposition product of ilmenite), garnet, zircon, monazite and aluminium silicates like silimanite and kyanite occur in isolated to extensive spreads all along the sea coast.

2. In order to develop the offshore areas scientifically and systematically, the need was felt to have a proper legal frame-work for regulation and development of minerals occurring in the offshore areas, that is, territorial waters, continental shelf, exclusive economic zone and other maritime zones of India. A Working Group was constituted to suggest a suitable legislation and rules for regulating prospecting and mining in the offshore areas after examining the existing legislation on the subject viz. the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), and the Territorial Waters, Continental Shelf, Exclusive Zone and other Maritime Zones Act, 1976 (80 of 1976) and other related matters. The Working Group came to the conclusion that it would be advisable to frame a new enactment for mineral exploitation in the offshore areas. The Government has carefully considered the recommendations of the Working Group and has decided that a law relating to development and regulation of minerals in offshore areas may be enacted.

3. Some of the highlights of the proposed legislation are as follows:—

(*i*) There will be three types of operating rights, namely:—Reconnaissance permit (non exclusive), exploration licence and production lease.

(*ii*) The offshore areas will be released periodically for grant of operating rights only after inter-departmental consultation with the Ministries/Departments which have parallel interest in the offshore areas.

(*iii*) Exploration licence or production lease will be granted to any person over an area only upon submission of a work programme for the exploration operation, or development of the mineral deposits in that area. This would ensure that exploration and mining operations in the offshore areas are conducted on a scientific basis with due regard to conservation.

(*iv*) No operating right shall be granted to any person unless such person is an Indian national or a company as defined in sub-section (*1*) of section 3 of the Companies Act, 1956 (1 of 1956).

(*v*) The holder of the reconnaissance permit shall commence work within a period of six months, the holder of the exploration licence shall commence work within a period of one year and the holder of the production lease shall commence commercial production within a period of two years from the date of grant.

(*vi*) Reconnaissance permit will be granted for a maximum period of two years with the provision for renewal for another maximum period of two years. Exploration licence shall be granted initially for a maximum period of three years with a provision for renewal so that the total period of exploration does not exceed five years. Production lease shall be granted initially for a period not exceeding thirty years with the provision for renewal for twenty years.

(*vii*) The Central Government is being authorised by notification in the Official Gazette to prescribe norms for the safety and health of persons and safety and security of property in offshore areas.

(*viii*) There is a provision for payment of royalty and in order to discourage the speculative acquisition of large areas, there is also provision for payment of fixed rent. The rate will be prescribed by notification, with the proviso that royalty and fixed rent shall not be enhanced more than once during any period of three years.

(*ix*) In order to safeguard defence and security of the country, the provisions of the proposed legislation shall be in addition to and not in derogation of any other law for the time being in force in the offshore areas.

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(*x*) There is an enabling clause for making rules to address problems of pollution of offshore environment and security and safety of marine life including fin and shell fish, coral and other species. Every holder of the operating rights shall be liable for any pollution or damage to marine environment resulting from activities in the offshore areas.

4. The proposed legislation would enable streamlining of mineral exploration and development in the offshore areas and ensure systematic and scientific exploitation of mineral reserves (except petroleum, natural gas and hydrocarbon resources) for attracting private investment in the mineral sector.

5. The Bill seeks to achieve the above objects.

SUNDER LAL PATWA.

NEW DELHI;

The 18*th August*, 2001.

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