Daily news summary

Mines and Minerals Development and Regulation Act Notification

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WHY IN NEWS

- The Union Government formally notified provisions under the amended MMDR framework amid fiscal objections raised by mineral-rich States.

WHAT IS THE MMDR ACT, 1957?

- Principal central legislation governing the grant of mining leases, prospecting licenses, and development of major and minor minerals in India.
- Empowers the Union Government to regulate mineral development while States retain land ownership and collect royalties.

KEY CHANGES NOTIFIED

- Centralizes auction processes and terms for critical and strategic minerals to streamline supply chain security.
- Restricts unilateral state-level levy modifications on mineral-bearing land beyond statutory royalty caps.

WHY IT MATTERS

- Highlights ongoing federal conflicts regarding State powers to levy taxes on mineral rights following recent Constitution Bench interpretations.
- Impacts revenue autonomy of resource-rich States and private investment certainty in critical mineral exploration.

KEY TERMS

- **Royalty:** A statutory payment made by a mining lease holder to the state resource owner based on the volume or value of mineral extracted.
- **Critical Minerals:** Minerals essential for high-technology, clean energy, and defense applications whose supply chains face severe disruption risks.

PAPERS

GS2, GS3

PRELIMS FACTS

- State legislative powers over mineral development under Entry 23 of the State List are subject to Union regulation under Entry 54 of the Union List.

MAINS DISCUSSION

- Examine the fiscal federalism implications of central regulatory control over **critical minerals** versus State taxation rights.

KEY DATA

- **Parent Act:** Mines and Minerals (Development and Regulation) Act, 1957 - The primary statutory framework governing mineral regulation and leasing rights across India.
- **Seventh Schedule Entry:** List I Entry 54 / List II Entry 23 - Defines the constitutional boundary between Union regulation and State control over mines and mineral development.

Official source