

M.VI-16/28/2023-Mines VI
Government of India
Ministry of Mines

Shastri Bhawan, Dr. Rajendra Prasad Road
New Delhi-110 001
Dated the 1st May, 2025

NOTICE FOR PUBLIC CONSULTATION

Subject: Amendment of Mineral (Auction) Rules, 2015 for introduction of intermediary timelines for various activities to be completed after issue of Letter of Intent till execution of mining lease - reg.

The Ministry of Mines is proposing to bring necessary amendments in the Mineral (Auction) Rules, 2015 for introduction of intermediary timelines for various activities to be completed after issue of Letter of Intent till execution of mining lease. These amendments are based on the recommendation of a committee constituted by the Ministry where representatives of Ministry of Mines, Ministry of Environment, Forest and Climate Change, State Governments of Odisha, Karnataka and Madhya Pradesh and Indian Bureau of Mines were members. Also, provisions regarding incentive for early commencement of production, expediting auction process and development of mines, etc. are proposed to be added/ amended.

Draft of the proposed amendment rules is enclosed herewith as **Enclosure** for comments/ suggestions from the general public, Governments of States and Union Territories, mining industry stakeholders, industry associations, and other persons and entities concerned.

2. In view of the above, it is requested that comments/ suggestions on the above issues may be sent on or before **31.05.2025**.

3. The comments/suggestions may be sent by e-mail in MS-Office Word file to the following ID:

jspolicy-mines@gov.in

The subject of the e-mail should be "Comments/ suggestions on the proposed Amendment of Mineral (Auction) Rules, 2015 for introduction of intermediary timelines".

7. Alternatively, comments/suggestions may also be sent by post to the following address:

Shri Mustaq Ahmad, Director
Ministry of Mines
Room No 313,
D-Wing Shastri Bhawan,
Dr Rajendra Prasad Road
New Delhi -110 001

The envelope may kindly be superscribed on the top with “Comments/suggestions on the proposed Amendment of Mineral (Auction) Rules, 2015 for introduction of intermediary timelines”.

Encl.: As stated above

Yours faithfully,

Digitally signed by
VINOD KUMAR

Date: 01-05-2025
06:52:38

(Vinod Kumar)
Under Secretary to the Govt. of India

**TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,
SECTION 3, SUB-SECTION (i)]**

GOVERNMENT OF INDIA
MINISTRY OF MINES

NOTIFICATION

New Delhi, the April, 2025

G.S.R....(E).— In exercise of the powers conferred by section 13 of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules further to amend the Mineral (Auction) Rules, 2015, namely:—

1. Short title and commencement.— (1) These rules may be called the Mineral (Auction) Second Amendment Rules, 2025.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Mineral (Auction) Rules, 2015 (hereinafter referred to as the said rules), in rule 9, in sub-rule (9), in clause (iii), after the words “on conclusion of the auction”, the words, “automatically by the online electronic auction platform for public view” shall be inserted.

3. In the said rules, in rule 10,—

(i) in sub-rule (1),—

(a) after the word and figures “rule 11”, the words and figures, “and furnish performance security as specified in rule 12” shall be inserted;

(b) after the proviso, the following proviso shall be inserted, namely:—

“Provided further that in case where preferred bidder is declared before the commencement of the Mineral (Auction) Second Amendment Rules, 2025, such preferred bidder shall furnish performance security within six months of the commencement of the said rules and in case of failure to furnish the performance security within the said period, the letter of intent shall be invalidated leading to annulment of the entire process of auction.”;

(ii) in sub-rule (2), after the words “upfront payment”, in both the places, the words, “and performance security” shall be inserted;

(iii) after sub-rule (2), the following sub-rule shall be substituted, namely:—

“(2A) In case the State Government does not issue the letter of intent to the preferred bidder within the time specified in sub-rule (2), the amount of second installment of the upfront payment payable under clause (b) of sub-rule (3) of this rule and rule 11 shall reduce by twenty five percent for the delay of each month or a part thereof in issue of the letter of intent and the preferred bidder shall pay only the remaining amount as the second installment.”;

(iv) in sub-rule (3), the clause (c) shall be omitted;

(v) in sub-rule (6), in the second proviso, for the words, “if the reasons for delay were beyond the control of the preferred bidder”, the words, “if the State Government is satisfied that the preferred bidder shall be able to comply with all requirements for execution of the mining lease deed within such extended period and the preferred bidder has paid all three instalments of the upfront amount before allowing such further period” shall be substituted.

4. In the said rules, after rule 10, the following rules shall be inserted, namely:—

“10A. Timelines for execution of mining lease of mineral block auctioned for mining lease.— (1) Subject to the provisions of rule 10, a preferred bidder for grant of mining lease shall comply with the timelines specified in Schedule VI for each milestone.

(2) In case of delay in compliance or non-compliance of the timelines for the completion of milestones specified in the said Schedule, the Director, Directorate of Mines and Geology of the State Government (by whatever name called) shall take a decision as to whether delay or non-compliance is attributable to the preferred bidder or the successful bidder, as the case may be, after giving reasonable opportunity of being heard to the such bidder.

(3) Where such delay or non-compliance is decided by the Director to be attributable to the preferred bidder or successful bidder, as the case may be, the Director shall appropriate such percentage of performance security as specified in the Schedule VI.

(4) Upon appropriation of performance security, the preferred bidder or the successful bidder, as the case may be, shall recoup or top-up the performance security within a period of two months period from the date of issue of the order of appropriation.

(5) The completion time provided for the milestones specified in the Schedule VI does not prohibit the preferred bidder or the successful bidder, as the case may be,

from obtaining clearances, permission or the like concurrently or earlier than the time provided, if allowed under the law relating to such clearance, permission or the like.

(6) The decision of the Director on appropriation or non-appropriation of performance security on delay or non-compliance of the timelines shall not affect the liability of the preferred bidder or successful bidder, as the case may be, for compliances of any other conditions or timelines required under the laws applicable on him.

(7) The appropriation or non-appropriation of performance security for non-compliance of the timelines provided for above milestones shall not affect the decision of the State Government regarding extension of period for execution of mining lease as per second proviso to sub-rule (6) of rule 10 and in any case, the period provided under provisos to sub-rule (6) of rule 10 shall not be exceeded beyond the period of extension allowed under the said provisos.

(8) Submission of incomplete application or not providing sufficient time to the respective Government authority for processing and taking decision on the application, may be treated by the State Government as 'delay attributable to the preferred bidder or the successful bidder' in case of non-compliance of the timelines.

(9) If the preferred bidder or the successful bidder, as the case may be, is able to complete the milestone number 3 specified in the Schedule VI within the period of three years from the date of issue of letter of intent, then the amount of performance security appropriated for delay in completion of any milestone (if any) shall be adjusted by the State Government against auction premium payable by the successful bidder.

(10) The provision of this rule shall also be applicable in the cases where the letter of intent for mining lease has been issued prior to the commencement of the Mineral (Auction) Second Amendment Rules, 2025 for the milestones which are remaining to be complied by the preferred bidder or the successful bidder and the timeline for the first of the milestones remaining to be complied in such case shall start from the date of commencement of the said rules:

Provided that in such cases the period provided under provisos to sub-rule (6) of rule 10 shall not be exceeded beyond the period of extension allowed under the said provisos.”.

5. In the said rules, in rule 13, in sub-rule (2),—

(i) in the first proviso, for the words and symbol, “the scheduled date of commencement of production as given in the tender document.” the following shall be substituted, namely:—

“three years from the date of issue of letter of intent for grant of mining lease:

Provided further that in case of auction of composite licence, the lessee shall pay only fifty per cent. of the amount quoted under rule 8, for the quantity of mineral produced and dispatched earlier than seven years from the date of issue of letter of intent for grant of composite.”;

(ii) in the second proviso, for the words, “provided further”, the words “provided also” shall be substituted;

(iii) after the said proviso, the following shall be inserted, namely:—

“Provided also that the incentives provided in this sub-rule shall not be applicable in leases where rights, approvals, clearances, licences and the like are vested under section 8B.”;

(iv) in the explanation, for the words, “scheduled date of commencement of production”, the words, “date of commencement of production as specified in this sub-rule” shall be substituted.

6. In the said rules, in rule 18,—

(i) in sub-rule (1A), for the words, brackets and figure “sub-rule (2)”, the words, brackets and figure “sub-rule (1)” shall be substituted;

(ii) after sub-rule (1A), the following sub-rule shall be inserted, namely:—

“(1B) In case the State Government does not issue the letter of intent to the preferred bidder within the time specified in sub-rule (1) or sub-rule (1A), as the case may be, the amount of first installment of the upfront payment payable under clause (b) of sub-rule (6) of this rule and rule 11 shall reduce by twenty five percent for the delay of each month or a part thereof in issue of the letter of intent and the preferred bidder shall pay only the remaining amount as the first installment.”;

(iii) in sub-rule (3), in the second proviso, for the words, “if the reasons for delay were beyond the control of the preferred bidder”, the words, “if the State Government is satisfied that the preferred bidder shall be able to comply with all requirements for execution of the mining lease deed within such extended period” shall be substituted;

(iv) in sub-rule (6),—

(a) in clause (b), after the word and figures “rule 11”, the words and figures, “and the enhanced performance security as specified in sub-rule (2) of rule 19” shall be inserted;

(b) after the second proviso, the following proviso shall be inserted, namely:—

“Provided also that in case where letter of intent for mining lease has been issued before the commencement of the Mineral (Auction) Second Amendment Rules, 2025, the holder of composite Licence shall furnish the enhanced performance security as specified in sub-rule (2) of rule 19 within six months of the commencement of the said rules and in case of failure to furnish the enhanced performance security within the said period, the letter of intent shall be invalidated leading to annulment of the entire process of auction.”;

(v) after sub-rule (6), the following sub-rule shall be inserted, namely:—

“(6A) In case the State Government does not issue the letter of intent to the preferred bidder within the time specified in clause (b) of sub-rule (6), the amount of second installment of the upfront payment payable under clause (b) of sub-rule (8) of this rule and rule 11 shall reduce by twenty five percent for the delay of each month or a part thereof in issue of the letter of intent and the preferred bidder shall pay only the remaining amount as the second installment.”;

(vi) in sub-rule (8), clause (c) shall be omitted.

7. In the said rules, after rule 18, the following rules shall be inserted, namely:—

“18A. Timelines for execution of mining lease of mineral block auctioned for composite licence.— (1) Subject to the provisions of rule 18, a preferred bidder for grant of composite licence shall comply with the timelines specified in Schedule VII for each milestone.

(2) In case of delay in compliance or non-compliance of the timelines for the completion of milestones specified in the said Schedule, the Director, Directorate of Mines and Geology of the State Government (by whatever name called) shall take a decision as to whether delay or non-compliance is attributable to the preferred bidder or the successful bidder, as the case may be, after giving reasonable opportunity of being heard to the such bidder.

(3) Where such delay or non-compliance is decided by the Director to be attributable to the preferred bidder or successful bidder, as the case may be, the Director shall

appropriate such percentage of performance security as specified in the Schedule VII.

(4) Upon appropriation of performance security, the preferred bidder or the successful bidder, as the case may be, shall recoup or top-up the performance security within a period of two months period from the date of issue of the order of appropriation.

(5) The completion time provided for the milestones specified in the Schedule VII does not prohibit the preferred bidder or the successful bidder, as the case may be, from obtaining clearances, permission or the like concurrently or earlier than the time provided, if allowed under the law relating to such clearance, permission or the like.

(6) The decision of the Director on appropriation or non-appropriation of performance security on delay or non-compliance of the timelines shall not affect the liability of the preferred bidder or successful bidder, as the case may be, for compliances of any other conditions or timelines required under the laws applicable on him.

(7) The appropriation or non-appropriation of performance security for non-compliance of the timelines provided for above milestones shall not affect the decision of the State Government regarding extension of period for execution of composite licence as per second proviso to sub-rule (3) of rule 18 and in any case, the period provided under provisos to sub-rule (3) of rule 18 shall not be exceeded beyond the period of extension allowed under the said provisos.

(8) Submission of incomplete application or not providing sufficient time to the respective Government authority for processing and taking decision on the application, may be treated by the State Government as 'delay attributable to the preferred bidder or the successful bidder' in case of non-compliance of the timelines.

(9) If the preferred bidder or the successful bidder, as the case may be, is able to complete the milestone number 5 specified in the Schedule VII within the period of seven years from the date of issue of letter of intent for composite licence, then the amount of performance security appropriated for delay in completion of any milestone (if any) shall be adjusted by the State Government against auction premium payable by the successful bidder.

(10) In case of appropriation, the performance security submitted pursuant to sub-rule (1) of rule 19 shall be appropriated in respect of milestone number 1 and 2 of the Schedule VI and the performance security submitted pursuant to sub-rule (2) of rule 19 shall be appropriated in respect of milestones 3, 4 and 5.

(11) The provision of this rule shall also be applicable in the cases where the letter of intent for composite licence has been issued prior to the commencement of the Mineral (Auction) Second Amendment Rules, 2025 for the milestones which are remaining to be complied by the preferred bidder or the successful bidder and the timeline for the first of the milestones remaining to be complied in such case shall start from the date of commencement of the said rules:

Provided that in such cases the period provided under provisos to sub-rule (3) of rule 18 shall not be exceeded beyond the period of extension allowed under the said provisos.”.

8. In the said rules, after Schedule V, the following schedules shall be inserted, namely:—

“Schedule VI

[see rule 10A (1), (2), (3), (5), (9)]

TIMELINES FOR OPERATIONALISATION OF MINERAL BLOCK AUCTIONED FOR MINING LEASE

S. No.	Activity	Timeline completion Milestone for of	Percentage of performance security to be appropriated for delay in completion of Milestone
Milestone – 1			
1.	Approval of mining plan	Within 4 months from issue of letter of intent for mining lease	No appropriation
		After 4 months but within 6 months from issue of letter of intent for mining lease	5%
		After 6 months from issue of letter of intent for mining lease	2% for delay of each month or a part of month
Milestone – 2			
2.	Grant of environment clearance	Within 18 months from the completion of Milestone – 1	No appropriation

		After 18 months but within 22 months from the completion of Milestone – 1	5%
		After 22 months from the completion of Milestone – 1	2% for delay of each month or a part of month
Milestone – 3			
3.	Execution of mining lease	Within 11 months from the completion of Milestone - 2	No appropriation
		After 11 months but within 14 months from the completion of Milestone – 2	5%
		After 14 months from the completion of Milestone – 2	2% for delay of each month or a part of month

Schedule VII

[see rule 18A (1), (2), (3), (5), (9)]

TIMELINES FOR OPERATIONALISATION OF MINERAL BLOCK AUCTIONED FOR COMPOSITE LICENCE

S. No.	Activity	Timeline completion of the Milestone	Percentage of performance security to be appropriated for delay in completion of Milestone
Milestone - 1			
1.	Execution of composite licence	Within 9 months from letter of intent for composite licence	No appropriation
		After 9 months from issue of letter of intent for composite licence	2% for delay of each month or a part of month
Milestone - 2			

2.	Completion of at least G3 level of prospecting in the entire licenced area in accordance with the Minerals (Evidence of Mineral Contents) Rules, 2015	Within 15 months from the completion of Milestone-1	No appropriation
		After 15 months from the completion of Milestone-1	2% for delay of each month or a part of month
Milestone - 3			
3.	Completion of at least G2 level of prospecting in the entire licenced area in accordance with the Minerals (Evidence of Mineral Contents) Rules, 2015 and submission of report of prospecting operations to Indian Bureau of Mines and State Government	Within 36 months from the completion of Milestone-1	No appropriation
		After 36 months but within 41 months from the completion of Milestone-1	5%
		After 41 months from the completion of Milestone-1	2% for delay of each month or a part of month
Milestone - 4			
4.	Approval of mining plan	Within 4 months from issue of letter of intent for mining lease	No appropriation
		After 4 months but within 6 months from issue of letter of intent for mining lease	5%
		After 6 months from issue of letter of intent for mining lease	2% for delay of each month or a part of month
Milestone - 5			
5.	Grant of environment clearance	Within 18 months from the completion of Milestone-4	No appropriation
		After 18 months but within 22 months from the completion of Milestone-4	5%
		After 22 months from the completion of Milestone-4	2% for delay of each month or a part of month

Milestone - 6			
6.	Execution of mining lease	Within 11 months from the completion of Milestone-5	No appropriation
		After 11 months but within 14 months from the completion of Milestone-5	5%
		After 14 months from the completion of Milestone-5	2% for delay of each month or a part of month

[F. No. M.VI-16/28/2023-Mines VI]

(Dinesh Mahur)
Joint Secretary

Note:— The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 406(E), dated the 20th May, 2015 and lastly amended, *vide* number G.S.R. 255(E), dated the 23rd April, 2025.