

M.VI-1/7/2025-Mines VI
Government of India
Ministry of Mines

Shastri Bhawan, New Delhi
Dated:- 01.01.2026

NOTICE FOR PUBLIC CONSULTATION

Subject: The Mines and Minerals (Development and Regulation) Amendment Bill, 2026 - reg.

The Mines and Minerals (Development and Regulation) Act, 1957 ('MMDR Act') is enacted under Entry 54 of the List-I (Union List) of the Seventh Schedule of the Constitution of India to provide for development and regulation of mines and minerals under the control of the Union. The Act has undergone several amendments over the years.

2. In order to increase participation in auction of minerals blocks and promote faster development of mines to support the objectives of achieving Viksit Bharat-2047, it is proposed to bring further amendments in the MMDR Act. The Ministry of Mines is proposing to bring necessary amendment in the MMDR Act. Accordingly, a brief note on the proposals under consideration for amendment in the MMDR Act is enclosed herewith as **Annexure** for comments/ suggestions from the general public, Governments of States and Union Territories, mining industry stake-holders, industry associations, and other persons and entities concerned.

3. In view of the above, it is requested that comments/ suggestions on the above issues may be sent on or before 22.01.2026.

4. 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 Mines and Minerals (Development and Regulation) Amendment Bill, 2026".

5. 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 Mines and Minerals (Development and Regulation) Amendment Bill, 2026".

Encl.: As above.


(Mustaq Ahmad)
Director

Annexure

Note for consultation on the Mines and Minerals (Development and Regulation) Amendment Bill, 2026

1. BACKGROUND

1.1 Removal of area limits on certain mineral concessions

1.1.1. Section 6 of the MMDR Act provides maximum area limit for acquiring mineral concessions by a person in respect of any mineral or prescribed group of associated minerals in a State. The limit is 10,000 sq.km. for reconnaissance permit (RP), 5,000 sq.km. for exploration licence, 25 sq.km. for prospecting licence (PL) and 10 sq.km. for mining lease (ML). The provision further empowers the Central Government to increase the area limits in respect of PL or ML for a particular mineral for a particular region. Apart from area limits, clause (c) of section 6(1) provide restriction on grant of mineral concession in respect of any area which is not compact or contiguous unless the State Government permit grant of such area under mineral concession in the interests of the development of any mineral.

1.1.2. Prior to the amendment in 2015, the Central Government was empowered to increase the area limits for a lease holder who would exceed the area limit due to acquisition of a new mineral concession. However, after the amendment in 2015, the Central Government is empowered to grant relaxation in relation to any particular mineral, or specified category of mineral deposit or any particular mineral located in a particular area. In 2015, the auction regime was introduced for grant of mineral concessions. Since then, various State Governments have requested the Central Government for the increase in area limits for various reasons, mostly for increasing participation of bidders in auction of blocks. Accordingly, the Ministry has increased area limit mineral-wise and State-wise where the new limits becomes applicable to all the PL and ML holders in a State.

1.1.3. The auction regime has matured in last 10 years, with more than 590 mineral blocks auctioned successfully. It has been noted that when the mineral concessions are being granted through a fair and transparent process of auction, the area limits for PL and ML may not be necessary and sometimes becomes hurdle in auction of blocks as it reduces the number of potential bidders in the auction. Area limit for RP has also become irrelevant as the MMDR does not provide a process to grant RP after the amendment in 2015. With the advancements in mining technology and economies of scale required in processing plants, there is a need to relax area limits. The Ministry of Mines has received various inputs from mining industry associations and companies for reviewing the provision of area limit in the Act.

1.1.4. In order to attract more investment in the sector, including from international mining companies, and allow mining companies to achieve economies of scale as well as global competitiveness, area limits under section 6 in respect of RP, PL and ML may be removed. On the other hand, the provision of EL has been recently introduced with significantly large area

limits (5,000 sq. km.). As it is a new concept and more experience is required before deciding on removing area limit for the same, area limit in respect of only EL may be retained in section 6.

1.1.5. Further, various changes have been made in the Act and the rules to provide for time-bound operationalisation of mineral blocks and start of production and dispatch. The miners cannot keep a licence or lease area idle for long without actually producing and thus removing the area limits will not lead to hoarding of mining areas.

1.2. Rationalising the period of prospecting licence

1.2.1. Section 7 of the MMDR Act provides that the period of prospecting licence and reconnaissance permit shall not exceed 3 years, which may be further extended up to 2 years by the State Government.

1.2.2. It is stated that the above period was prescribed in section 7 in the year 1994. Since then mineral exploration has been transformed by breakthroughs in remote sensing, geophysics, geochemistry, computer modelling and use artificial intelligence, and drilling technologies. These advances have made exploration faster, more accurate, and more environmentally responsible.

1.2.3. Also, the Van (Sanrakshan Evam Samvardhan) Adhiniyam, 1980 was amended in 2023 to provide that survey, such as, reconnaissance, prospecting, investigation or exploration including seismic survey shall not be treated as non-forest purpose subject to the terms and conditions as specified by the Central Government. Thus, Forest Clearance is not required for exploration of minerals if the same is done as per the specified terms and conditions. The Ministry of Environment, Forest and Climate Change (MoEFCC) has recently streamlined the terms and conditions and the approval process for allowing exploration of minerals in the forest area. These steps will allow faster exploration of minerals in the forest areas.

1.2.4. As the technology has paced mineral exploration and the norms for exploration in forest areas have also been eased, so the present period provided for prospecting licence can be reduced to accelerate the exploration of the mineral blocks which will enable faster operationalisation of mines.

1.3. Auction of exploration licence by the Central Government

1.3.1. The MMDR Act was amended in August, 2023, inter alia, to provide for grant of exploration licence for 29 critical and deep-seated minerals specified in Seventh Schedule to the Act through auction by the State Government. The exploration licence permits the licence holder to undertake reconnaissance and prospecting operations. The exploration licence is aimed to facilitate, encourage and incentivize private sector participation in all spheres of mineral exploration for critical and deep-seated minerals. Involvement of private agencies in exploration would bring advanced technology, finance and expertise in exploration for deep-seated and critical minerals.

1.3.2. However, it was noted the despite guidance and reviews by the Central Government, the auction of exploration licence blocks by the State Governments was not successful due to various reasons. Fragmented and

uncoordinated auction of exploration licence blocks by different State Governments may have resulted in lack of response in the auction of exploration licence blocks.

1.3.3. Accordingly, after review of the situation, the Ministry of Mines issued an order dated 21.10.2024 under section 20A of the MMDR Act to empower Central Government to conduct the auction of EL blocks. After completion of auction, the State Government shall grant exploration licence to the preferred bidder. After the said order, the Central Government has successfully auctioned 7 blocks for EL in the first tranche.

1.3.4. It is proposed to amend section 10BA of the Act to provide that Central Government will auction EL blocks as is already being done under the order dated 21.10.2024 under section 20A.

2. PROPOSAL

2.1. In view of the above background, it is proposed to make the following amendments in the MMDR Act:

2.1.1. Removal of area limits on certain mineral concessions:

Section 6 of the MMDR Act may be amended to remove the maximum area limit for acquiring RP, PL and ML by a person in respect of any mineral or prescribed group of associated minerals in a State given under clauses (a), (aa) and (b) of section 6(1).

2.1.2. Rationalising the period of prospecting licence: Section 7 of the MMDR Act may be amended to:

- (i) provide that prospecting licence shall be granted for the period of:
 - (a) 3 years for deep-seated minerals, considering the difficulty in exploration of such minerals, and
 - (b) 2 years for minerals other than deep-seated minerals.
- (ii) As there is no provision in the Act to grant reconnaissance permit, the period of such permit may be removed.

2.1.3. Auction of exploration licence by the Central Government: Section 10BA of the Act may be amended to provide that Central Government will auction EL blocks.

3. JUSTIFICATION

The proposed amendment for removing area limits will increase the participation in auction of ML and composite licence (i.e., PL-cum-ML) resulting in more competition, remove delay in auction of blocks, attract more investment in the sector, including from international mining companies, and allow mining companies to achieve economies of scale as well as global competitiveness. The proposal increases ease of doing business in the sector by removing area limits which have lost its significance after stabilization of the auction regime in last 10 years. Rationalisation of period of prospecting licence (with differentiation between deep-seated and other minerals) will facilitate faster exploration and reduce time for operationalisation of mineral blocks. Amendment for providing auction of EL blocks by the Central

Government is only a consequential change as EL blocks are already being auctioned by the Central Government under order issued under section 20A.

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