

No. M.VI-16/18/2024-Mines VI
Government of India
Ministry of Mines

Shastri Bhawan, New Delhi
Dated: 22nd February, 2024

ORDER

Subject: Relaxation of maximum area limits in respect of critical minerals in exercise of powers conferred under the proviso to clause (b) of sub-section (1) of section (6) of the MMDR Act, 1957.

Whereas, the Mines and Minerals (Development and Regulation) Act, 1957 (hereinafter, 'the MMDR Act, 1957') was enacted to provide for development and regulation of mines and minerals in the country.

And whereas, the MMDR Act, 1957 was amended through the MMDR Amendment Act, 2023 with effect from 17.08.2023. Through the said amendment, the Central Government has been empowered under Section 11D of the Act to auction mineral blocks for grant of mining lease and composite licence for 24 critical minerals listed in the new Part-D of the First Schedule to the MMDR Act, 1957.

And whereas, the objective of the said amendment is to increase exploration and mining of critical minerals, reduce import dependency and to ensure self-sufficiency in supply of critical minerals which are essential for the advancement of many sectors, including high-tech electronics, telecommunications, transport and defence. They are also vital to power the transition to a low-emission economy, and the renewable technologies that will be required to meet the 'Net Zero' commitment of India by 2070.

And whereas, the Central Government has notified the enabling rules for conduct of auction of mining lease and composite licence by Central Government under Section 11D, vide G.S.R. 648(E) dated the 1st September, 2023.

And whereas, the Geological Survey of India (GSI) and the Mineral Exploration Corporation Limited (MECL) have explored and handed over the reports of more than 100 critical mineral blocks for auction by the Central Government. Further, GSI is undertaking 126 exploration projects of critical minerals during the Field Season Program 2023-24. GSI will be undertaking 188 exploration projects of critical minerals during the Field Season Program 2024-25.

And whereas, the Central Government has launched the first tranche of e-auction of 20 mineral blocks of critical and strategic minerals for grant of composite licence on 29.11.2023 which aims to ensure steady supply of these minerals, thus reducing our reliance on imports and ensuring a more secure and resilient supply chain.

And whereas, the Central Government would be conducting regular auctions of mineral blocks of critical minerals in subsequent tranches of auction.

And whereas, it is observed that the mineral blocks of critical minerals

handed over by GSI and MECL are having large areas. Many of critical mineral blocks put on auction for grant of composite licence by the Central Government are deep seated and require detailed exploration to establish the evidence of mineral content for grant of mining lease. Further, recovery of critical minerals from the ore is very low as compared to bulk minerals such as limestone, iron ore etc. requiring more area for economic viability of mines.

And whereas, as per Section 6(1)(a) of the MMDR Act, no person shall acquire in respect of any mineral or prescribed group of associated minerals in a State one or more prospecting licences covering a total area of more than twenty-five square kilometres.

And whereas, as per Section 6(1)(b) of the MMDR Act, no person shall acquire in respect of any mineral or prescribed group of associated minerals in a State one or more mining leases covering a total area of more than ten square kilometres.

And whereas, there are instances of multiple mineral blocks of same critical mineral available for auction in same State. This may lead to a situation wherein bidders may be restricted to participate in auction of all blocks of same critical minerals in same State due to area limits under Section 6(1) of the MMDR Act, 1957, for grant of mining lease and composite licence. This will restrict competition in auction of mineral blocks.

And whereas, it is observed that participation of more number of bidders in the auction process will increase the competition and lead to fair discovery of price of minerals.

Now, therefore, the Central Government, in exercise of the powers conferred under the proviso to clause (b) of sub-section (1) of section (6) of the MMDR Act, 1957, hereby increases the area limit for prospecting licence and mining lease in respect of each of the 24 critical minerals listed in Part-D of the First Schedule to the MMDR Act, 1957, to 100 sq. km. and 50 sq. km. respectively, for each of the States.


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