

NOTICE

The Ministry of Mines has prepared the Mineral (Auction) Amendment Rules, 2021 seeking to amend Mineral (Auction) Rules, 2015.

As part of the Pre-Legislative Consultation Policy, the draft Amendment Rules is made available below. Comments/suggestions are invited from the general public, Governments of States and Union Territories, Mining Industry, Stake Holders, Industry Associations, and other persons and entities concerned, on the draft Amendment Rules. The last date for receipt of the comments/suggestions is **5th February, 2021**.

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

mustaqahmad.dad@gov.in

The subject of the e-mail should be “**Comments/suggestions on the draft Mineral (Auction) Amendment Rules, 2021**”.

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 draft Mineral (Auction) Amendment Rules, 2021**”.

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

MINISTRY OF MINES

NOTIFICATION

New Delhi, the __ January, 2021

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) Amendment Rules, 2021.

(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 principal rules), in sub rule (2) of rule 13, the following proviso shall be inserted, namely,—

“Provided that in case of auction of mining lease in respect of an area having existence of mineral contents established in accordance with rule 5 of the Minerals (Evidence of Mineral Contents) Rules, 2015, 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 the scheduled date of commencement of production as given in the tender document.

Provided further that for the above said quantity of mineral produced and dispatched, other payments as specified in sub-rules (1), (3) and (4) shall be payable in full and the successful bidder shall obtain all necessary approvals, permissions, licences and the like under the applicable laws required for early start of production.

Explanation.— The above incentive on payment of amount quoted under rule 8 shall be applicable on the quantity of mineral produced and dispatched between actual date and the scheduled date of commencement of production”

[F. No.16/2/2021-M.VI]

Dr. Veena Kumari Dermal,

Joint Secretary

Note:- The principal rules were published in the Gazette of India, 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. 1469(E), dated the 30th November, 2017.

DRAFT BACKGROUND NOTE

1. A High Level Committee (HLC) headed by Vice Chairman, NITI Aayog, on mines, minerals and coal sectors was constituted by the Government to give recommendations for enhancing exploration and domestic production, reducing imports and achieving rapid growth in exports. HLC in its report on coal sector has recommended that Ministry of Mines may also adopt the methodology for commercial auction as per the recommendation of the coal sector. One of the recommendations in the HLC report is for providing incentive to the successful bidders for early commencement of production from the auctioned mines.

2. In view of the HLC recommendations, it has been decided to provide in the Mineral (Auction) Rules, 2015 that for fully explored blocks, there would be a 50% rebate in the quoted revenue share, for the quantity of mineral produced and dispatched earlier than scheduled date of production as provided in tender document. The incentive will encourage the lessee to operationalise the mine and start production at an early date thereby increasing the mineral production in the country. The objective of the amendment is to make minerals available in the market at the earliest considering that minerals are input to several industries.

3. Accordingly, draft amendment to Rule 13 of the Mineral (Auction) Rules, 2015 is proposed.
