

GOVERNMENT OF INDIA
MINISTRY OF MINES
RAJYA SABHA
UNSTARRED QUESTION NO. 123 #
ANSWERED ON 01.12.2025

**RATIONALE BEHIND AMENDMENT OF THE MINERAL (AUCTION) RULES,
2015**

123 # DR. DINESH SHARMA:
SMT. REKHA SHARMA:

Will the Minister of MINES be pleased to state:

- (a) the rationale behind the recent amendments to the Mineral (Auction) Rules, 2015, which includes intermediary timelines for mine operations;
- (b) the key milestones and associated timelines set for mining leases and composite license blocks;
- (c) the incentives and penalties applicable for early commencement or delay in production under the amended rules; and
- (d) the estimated impact of these reforms on the timely operation of auctioned mineral blocks and the increase in mineral production?

ANSWER

THE MINISTER OF COAL AND MINES
(SHRI G. KISHAN REDDY)

(a) Ministry of Mines has amended the Mineral (Auction) Rules, 2015 with effect from 17.10.2025 whereby intermediary timelines have been introduced in the Rules in order to fast-track the operationalization of auctioned mineral blocks.

(b) The key milestones and associated timelines set for Mining Lease and Composite Licence are given below:

For Mining Lease:

Sl. No.	Milestone	Timeline
1	Approval of mining plan	Within 6 months from issue of letter of intent for mining lease
2	Grant of environment clearance	Within 18 months from the completion of Milestone-1
3	Execution of mining lease	Within 12 months from the completion of Milestone-2

For Composite Licence:

Sl. No.	Milestone	Timeline
1	Execution of composite licence	Within 12 months from letter of intent for composite licence
2	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
3	Approval of mining plan	Within 6 months from issue of letter of intent for mining lease
4	Grant of environment clearance	Within 18 months from the completion of Milestone-3
5	Execution of mining lease	Within 12 months from the completion of Milestone-4

(c) The Rules provide for appropriation of 1% of the performance security for delay (attributable to the bidder) of each month or a part of month beyond the above timelines. The Rules also provide for adjustment of the appropriated amount, if any, against the auction premium payable, if the final milestone is achieved within the stipulated overall timeframe. Further, the Rules also provide for reduction in the amount of second installment of the upfront payment by 5% for the delay of each month or a part of month by the State Government in issuing the letter of intent to the preferred bidder beyond the stipulated time.

Further, an incentive has been provided for early commencement of production from the auctioned mines. The lessee is required to pay only 50% of the auction premium for the mineral produced, within five years from the date of issue of letter of intent for grant of mining lease or within seven years from the date of issue of letter of intent for grant of composite licence.

(d) The intermediary timelines provide a mechanism to monitor progress of operationalization of auctioned mines across various stages from issuance of the letter of intent till execution of the mining lease. These timelines are intended to ensure faster operationalization of the mines, thereby, increasing mineral production significantly.
