

GOVERNMENT OF INDIA  
MINISTRY OF MINES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 2888**  
ANSWERED ON 10.07.2019

**REVENUE EARNED FROM AUCTION OF MINES**

2888. SHRI MOHANBHAI KALYANJI KUNDARIYA:  
SHRI SELVAM. G:

Will the Minister of MINES be pleased to state:

- (a) the number of mines auctioned in the wake of Mines and Mineral Development Regulation Act, 2015 along with the quantum of revenue earned therefrom by the Union and the States during the last three years;
- (b) whether the Union Government has conducted survey for the mines to be auctioned and if so, the number of mines identified for auction, State/UT-wise;
- (c) whether the Union Government proposes to assist such States for smooth auctioning of mines and if so, the details thereof; and
- (d) whether some hurdles are being faced in the auction process of mines and if so, the details thereof and the action proposed to be taken to remove the same?

**ANSWER**

THE MINISTER OF MINES, COAL AND PARLIAMENTARY AFFAIRS  
(SHRI PRALHAD JOSHI)

(a): So far, 64 mines of major minerals have been auctioned by the States in the wake of Mines and Minerals (Development and Regulation) (MMDR) Act, 2015. The estimated total revenue over the lease period of these auctioned mines is ₹ 1,85,093 crore, out of which National Mineral Exploration Trust (NMET) contribution of ₹ 729 crore shall accrue to the Central Government and the rest is for the State Governments which includes auction premium, royalty and District Mineral Foundation (DMF) contribution.

(b): As per the MMDR Act and the Rules framed there under, the State Governments grant mineral concessions for the minerals located within their respective boundaries in accordance with the statutory procedure. As per the information provided by the State Governments, the number of mineral blocks proposed to be auctioned by States is as under:

<b>S No</b>	<b>State</b>	<b>Blocks in pipeline for auction</b>
1	Andhra Pradesh	17 mineral blocks
2	Chhattisgarh	11 mineral blocks
3	Gujarat	11 mineral blocks
4	Jharkhand	26 mineral blocks
5	Karnataka	14 mineral blocks
6	Odisha	39 mineral blocks
7	Rajasthan	8 mineral blocks
<b>Total</b>		<b>126 mineral blocks</b>

(c): Central Government has facilitated the auction process by providing initial handholding support to the State Governments for Transaction Advisory Services and Differential Global Positioning System (DGPS) Survey and Total Station Survey, Geological Report (GR) preparation and e-auction platform, through institutions of the Central Government i.e. Geological Survey of India (GSI), Mineral Exploration Corporation Ltd (MECL) and Indian Bureau of Mines (IBM) and various Central Public Sector Enterprises such as SBI Capital Markets Ltd (SBICAP), MECON Ltd and MSTC Ltd.

(d): Some mineral blocks put up on auction by the States were annulled due to lack of adequate number of bidders. The State Governments identified the reasons as poor mineralization/grade of mineral ores, unfavourable demand-supply scenario, imposition of end use reservations for mineral blocks, unsuitable land ownership pattern, high reserve price and payment terms.

To make the auction process simpler and to help the States auction mineral blocks quickly, the Mineral Auction Rules were amended by the Ministry of Mines vide notification dated 30.11.2017. The major amendments in the rules include flexibility to State Governments in auction process, relaxation in net worth requirement for increased participation of bidders in auction of mines, relaxation in disposal of up to twenty five percent of total mineral excavated in the previous financial year in case of mines which have been reserved for specified end use and adjustment of upfront payment in full at the earliest against the revenue share.

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