

GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
UNSTARRED QUESTION NO. †705
ANSWERED ON 04.02.2026

IMPACT OF THE AMENDMENTS MADE IN MMDR ACT

†705. DR. RAJESH MISHRA:

SHRI KRI PANATH MALLAH:

SHRI MANISH JAISWAL:

SHRI DARSHAN SINGH CHOUDHARY:

SHRI VISHNU DAYAL RAM:

SHRI ASHOK KUMAR RAWAT:

SHRI BALABHADRA MAJHI:

SMT. VIJAYLAKSHMI DEVI:

SHRI MANOJ TIWARI:

SHRI KHAGEN MURMU:

SHRI RODMAL NAGAR:

SHRI NABA CHARAN MAJHI:

Will the Minister of MINES be pleased to state:

- (a) the details of the impact of the amendments made in the Mines and Minerals (Development and Regulation) Act (MMDRA) and Mineral Auction Rules on accelerating the auction and commencement of operations of mineral blocks in the country, particularly in Odisha;
- (b) the effectiveness of the newly introduced intermediaries timelines, penalties and incentives in reducing delays caused by bidders or States, with specific outcomes in Odisha;
- (c) the measures taken by the Government to ensure balanced participation of newly entering States in the auction process and the details of participation of mineral block in Odisha, particularly in the Nabarangpur region;
- (d) the details of proposed steps to further expedite the commencement of operations of auctioned mineral blocks in order to increase domestic mineral production and the likely benefits particularly for Odisha including Nabarangpur district;
- (e) whether there is any proposal to create dedicated corridors for mineral transportation along with mineral auctions, if so, the details thereof; and
- (f) whether there is any proposal for a dedicated corridor at Singrauli?

ANSWER

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

(a): The Mines and Minerals (Development and Regulation), Act, 1957 (MMDR Act) was amended in 2015 to introduce auction for grant of mineral concessions. Further amendments in 2021 facilitated faster auction and operationalisation of mineral blocks by removing end-use restrictions, permitting sale of minerals from captive mines, providing for automatic transfer of statutory clearances to the successful bidder selected through auction and allowing transfer of mineral concessions. The auction framework was simplified by permitting auction of Composite Licence blocks at G4 level and Mining Lease blocks for surficial minerals at G3 level. Pursuant to the MMDR Amendment Act, 2023, the Central Government has been empowered to conduct auctions, including for critical and strategic mineral blocks. Till date, 46 critical mineral blocks have been auctioned by the Central Government. These reforms apply to all States including Odisha.

Since the introduction of the auction regime in 2015, 108 blocks were auctioned up to FY 2020-21. Following the mining sector reforms in 2021, a total of 498 blocks have been auctioned from FY 2021-22 to FY 2025-26 (till date). In respect of Odisha, a total of 60 mineral blocks have been auctioned since 2015. Further, due to various reforms, the pace of operationalization has also increased. 56 blocks were operationalized up to FY 2024-25, while in FY 2025-26 (till date), 26 blocks have already been operationalized. In respect of Odisha, a total of 30 mineral blocks have been operationalized, of which 4 in FY 2025-26 (till date).

(b): 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. These Rules apply to all States including Odisha.

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.

(c): States put up blocks for auction depending on resources explored and blocks carved out. Ministry of Mines, through regular review meetings with State Governments, encourages States to auction more mineral blocks. In addition, under the National Mineral Exploration and Development Trust (NMEDT), State Governments are provided financial incentives of ₹20 lakh for each successful auction of a mineral block and reimbursement of 50% of the amount paid to the Transaction Advisor, subject to a ceiling of ₹5 lakh per block, for blocks put up for auction but could not be auctioned. These measures apply to all States including Odisha.

(d): Ministry of Mines has taken several measures to fast-track operationalisation of auctioned mineral blocks and increase domestic mineral production. Important measures include regular high-level review meetings, introduction of intermediary timelines under the Mineral (Auction) Rules, financial incentives through the Scheme of Special Assistance to States for Capital Investment (SASCI) 2025-26, and monitoring through a dedicated Project Management Unit and Mining Dashboard. These measures apply to all States including Odisha.

(e) & (f): After mineral auction and mine operationalization, miners utilize the existing rail-road infrastructure in the country for transportation of minerals. Ministry of Railways increases capacity of high traffic density rail routes as well as creates dedicated corridors as per need, for easy transportation of commodities spanning all economic sectors, including mining.
