

Amendment of the Minerals (Evidence of Mineral Contents) Rules, 2015 and the Mineral (Auction) Rules, 2015 to facilitate identification of mineral blocks for auction for grant of Composite Licence

Amendment Focusses on More Participation and Competition

State Government Constituted Committee to Assess Mineral Potentiality of Proposed Block for Auction

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Ministry of Mines has notified the Minerals (Evidence of Mineral Contents) Second Amendment Rules, 2021 and the Mineral (Auction) Fourth Amendment Rules, 2021 to amend the Minerals (Evidence of Mineral Contents) Rules, 2015 [MEMC Rules] and the Mineral (Auction) Rules, 2015 [Auction Rules], respectively.

The amendment rules have been framed after extensive consultations with the State Governments, industry associations, miners, other stakeholders and general public.

Amendment in the MEMC Rules will enable any person, who is intending to participate in auction, to propose suitable blocks for auction for composite licence where mineral potentiality of the blocks has been identified based on the available geoscience data. A committee constituted by State Government shall assess the mineral potentiality of the blocks so proposed and recommend the block for auction. Further, amendment in the Auction Rules provide that in case the blocks proposed by any person are notified for auction, the said person would be provided incentive of depositing only half of the bid security amount in auction of the blocks proposed by him.

These amendments would encourage more participation in auction and promote competition. This will facilitate State Governments in identifying more blocks for auction of composite licence.

Background:

The Minerals (Evidence of Mineral Contents) Rules, 2015 have been recently amended in June, 2021, *inter alia*, to provide for auction to grant a composite licence in respect of areas where at least Reconnaissance Survey (G4) level has been completed or where mineral potentiality of the block has been identified based on the available geoscience data but resources are yet to be established. These amendments were aimed at identifying more mineral blocks for auction and thereby increasing pace of exploration and production resulting in improving the availability of minerals in the country and increase employment in the sector.

Simultaneously, the Mineral (Auction) Rules, 2015 were amended, *inter alia*, to prescribe bid security, performance security and other eligibility conditions to enable auction of such blocks for composite licence. Geological Survey of India (GSI) has also made freely available the database of baseline geoscience data for geological potential area in OCBIS portal for assistance of prospective bidders and other stakeholders.

The present amendment in the Rules will supplement the recent policy reforms taken in the mineral sector and facilitate auction of more blocks, thereby increasing production and mineral supply in the country.

MV/RKP

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