

# Mineral Auction Rule, 2015

(As Amended up to 30.03.2026)

1.	<i>Mineral (Auction) Amendment Rules, 2017, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 1469 dated 30.11.2017.</i>
2.	<i>Mineral (Auction) Amendment Rules, 2020, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 190(E) dated 20.03.2020.</i>
3.	<i>Mineral (Auction) Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 195(E) dated 17.03.2021.</i>
3A.	<i>Mineral (Auction) Second Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 422(E) dated 18.06.2021.</i>
3B.	<i>Mineral (Auction) Third Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 776 (E) dated 02.11.2021.</i>
3C.	<i>Mineral (Auction) Fourth Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 857(E) dated 14.12.2021.</i>
4.	<i>Mineral (Auction) Amendment Rules, 2022, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 137 (E) dated 18.02.2022.</i>
5.	<i>Mineral (Auction) Amendment Rules, 2023, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 648 (E) dated 01.09.2023.</i>
6.	<i>Mineral (Auction) Amendment Rules, 2024, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 49 (E) dated 21.01.2024.</i>
7.	<i>Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 255 (E) dated 23.04.2025.</i>
7A.	<i>Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 764 (E) dated 17.10.2025.</i>
7B.	<i>Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 776 (E) dated 22.10.2025.</i>
8.	<i>Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 71 (E) dated 29.01.2026.</i>
8A.	<i>Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 223 (E) dated 30.03.2026.</i>

## CHAPTER I PRELIMINARY

### 1. Short title and commencement. -

- (1) These rules may be called the Mineral (Auction) Rules, 2015.
- (2) They shall come into force on the date of their publication in the Official Gazette.

### 2. Definitions. -

- (1) In these rules, unless the context otherwise requires, -
  - (a) “Act” means the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957);  
  
<sup>6</sup>[(aa) “auction premium” means the amount payable by the lessee under sub-rule (2) of rule 13;’;]
  - (b) <sup>3A</sup>[Omitted]
  - (c) “Mine Development and Production Agreement” means the agreement referred to in sub rule (4) of rule 10 or sub-rule (8) of rule 18;
  - (d) “preferred bidder” means the bidder referred to in <sup>6</sup>[clause (iii) of sub-rule (9) of rule 9 or clause (iii) of sub-rule (10) of rule 19E];
  - (e) “qualified bidders” means the bidder referred to in <sup>6</sup> [sub-rule (8) of rule 9 or sub-rule (9) of rule 19E];
  - (f) “reserve price” means the minimum percentage of value of mineral despatched as referred to in sub-rule (1) of rule 8;
  - (g) “section” means section of the Act;
  - (h) “Schedule” means a Schedule appended to these rules;
  - (i) “successful bidder” means the bidder as referred to in <sup>6</sup> [sub-rule (3) of rule 10 or sub-rule (2) sub-rule (3) of rule 19G];
  - (j) “technically qualified bidders” means the bidder as referred to in <sup>6</sup>[sub-rule (6) of rule 9 or sub rule (7) of rule 19E];

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3A. Mineral (Auction) Second Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 422(E) dated 18.06.2021.

6. Mineral (Auction) Amendment Rules, 2024, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 49 (E) dated 21.01.2024.

- (k) “tender document” means the tender document issued by a State Government for conduct of an auction referred to in sub-rule (2) of rule 9;
- (l) “upfront payment” means the payment referred to in sub-rule (1) of rule 11;
- (m) “value of estimated resources” means an amount equal to the product of, -
  - (i) the estimated quantity of mineral resources for which the mineral block is being auctioned, expressed in metric tonne; and
  - (ii) <sup>1</sup>[the average price per metric tonne of such mineral as published by Indian Bureau of Mines for the relevant State for a period of twelve months immediately preceding the month of computation of the Value of Estimated Resources,

<sup>3A</sup> [Provided that if for any mineral or mineral grade, the average sale price in respect of the relevant State for any month is not published by the Indian Bureau of Mines, the average sale price for the latest month published for such mineral or mineral grade shall be deemed to be the average sale price for the said month for which average sale price is not published:

Provided further that if for any mineral or mineral grade, the average sale price in respect of the relevant State is not published for the entire period of the preceding twelve months, then the all India average sale price published for such mineral or mineral grade for the said twelve months shall be used:

Provided also that in case of auction of mineral block for composite licence for minerals and corresponding deposits as specified in Schedule II of the Minerals (Evidence of Mineral Contents) Rules, 2015, the ‘estimated quantity of mineral resources’ shall be arrived in the following manner, namely:—

- (a) the estimated quantity of mineral resources as assessed under G4 level of exploration for the mineralised area in the block shall considered the ‘estimated quantity of mineral resources’ of the block;

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1. Mineral (Auction) Amendment Rules, 2017, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 1469 dated 30.11.2017.

3A. Mineral (Auction) Second Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 422(E) dated 18.06.2021.

(b) in case the estimated quantity of mineral resources is not possible to be assessed under clause (a), then the same shall be arrived at by multiplying—

(i) the average of the estimated quantity of mineral resource per hectare for the same mineral available in the mineralised area of nearby mining leases or mineral blocks having similar geological features and explored up to G3 level in accordance with the said rules; and

(ii) the mineralised area of the mineral block, which is to be auctioned for composite licence.

Explanation. — For the purposes of this clause ‘nearby mining leases or mineral blocks’ shall mean mining leases or mineral blocks located in the same district or in any adjacent district.]

(n) “value of mineral despatched” shall have the meaning specified in sub-rule (2) of rule 8.

(2) The words and expressions used in these rules but not defined herein shall have the same meaning as assigned to them in the Act or rules made thereunder.

### **3. <sup>1</sup>[Application.-**

These rules shall apply to all minerals, except-

- (i) minerals notified as minor minerals specified under clause (e) of section 3;
- (ii) minerals specified in Part A of the First Schedule to the Act; and
- (iii) minerals specified in Part B of the First Schedule to the Act having grade equal to or more than the threshold value as specified and notified under the Atomic Minerals Concession Rules, 2016.

### **4. Grant of concession. -**

- (1) Where mineral contents of an area has been established as specified in the Minerals (Evidence of Mineral Contents) Rules, 2015, mining lease shall be granted in the manner specified under Chapter II with respect to any notified minerals referred to in subsection (3) of section 10B or with respect to any minerals other than notified minerals referred to in sub-section (2) of section 11.

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1. Mineral (Auction) Amendment Rules, 2017, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 1469 dated 30.11.2017.

- (2) A Composite Licence with respect to an area where requirements specified in rule 7 of the Minerals (Evidence of Mineral Contents) Rules, 2015 have been satisfied, shall be granted in the manner specified under Chapter III with respect to any notified minerals referred to in subsection (2) of section 10B or with respect to any minerals other than notified minerals referred to in sub-section (3) of section 11.
- <sup>6</sup>[(3) Exploration licence under section 10BA in an area in respect of any mineral specified in the Seventh Schedule of the Act shall be granted in the manner specified under Chapter III A.

## **CHAPTER II GRANT OF MINING LEASE**

### **5. Prerequisites for auction of Mining Lease.-**

- (1) The State Government may initiate an auction process for grant of a mining lease with respect to an area within the State if the mineral contents in such area has been established in accordance with the provisions of the Minerals (Evidence of Mineral Contents) Rules, 2015.
- (2) The State Government shall, prior to issuance of the notice inviting tender with respect to mineral auction, identify and demarcate the area where a mining lease is proposed to be granted through auction by using total station and differential global positioning system and the area so demarcated shall be classified into forests land, land owned by the State Government and land not owned by the State Government.

<sup>5</sup>[ Provided that where details of the land is available in the Prime Minister Gati Shakti - National Master Plan for Multi-modal Connectivity platform or land record portal of the State Government or any other Government authority, the State Government may use such details for classification of the land.]

- (3) The extent of area so demarcated shall include area required for all the activities falling under the definition of 'mine' as defined in clause (j) of sub-section (1) of section 2 of the Mines Act 1952 (35 of 1952).

### **6. Eligibility for Mining Lease. -**

- (1) For the purpose of participating in the auction of mining lease, an applicant shall meet the requirements as specified in section 5 and the terms and conditions of eligibility as specified in Schedule I.

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5. Mineral (Auction) Amendment Rules, 2023, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 648 (E) dated 01.09.2023.

6. Mineral (Auction) Amendment Rules, 2024, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 49 (E) dated 21.01.2024.

(2) The State Government may having regard to article 244 and the Fifth Schedule and Sixth Schedule to the Constitution, the provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 (40 of 1996); and the Scheduled Tribes and other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (2 of 2007), make such amendments to Schedule I as it may deem necessary.

(3) <sup>3A</sup>[The State Government shall not reserve any mine for captive purpose or any specific end use or partial specific end use in the auction.

<sup>3B</sup>[Explanation.— This sub-rule shall be applicable in all cases of auction, notwithstanding any order or direction to the contrary, passed by any court or authority, prior to the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2021.

<sup>3A</sup>[(4) Where the State Government has auctioned a mine as a captive mine for any particular specified end use <sup>7B</sup> [*lease holder of such lease may sell mineral produced from such mine after*] meeting the requirement of the end use plant linked with the mine and on payment of such additional amount as specified in the Sixth Schedule to the Act.

<sup>3B</sup>[Explanation.— This sub-rule shall be applicable in all leases where mineral is required to be used for captive consumption, notwithstanding any order or direction to the contrary, passed by any court or authority, prior to the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2021.

(5) The eligibility for participating in the auction shall be determined as per the terms and conditions of eligibility for participating in the auction and the Successful Bidder shall be decided solely on the basis of financial bids submitted by the eligible bidders.

<sup>6</sup>[(6) A bidder shall submit only one bid in an auction of a mineral block and no affiliate of a bidder shall submit a bid in the same auction where such bidder has submitted bid.

(7) In case a bidder submits more than one bid in an auction of a mineral block or an affiliate of a bidder submits bid in same auction where such bidder has submitted bid, the bids submitted by the bidder and its affiliate shall be rejected.

Explanation.— For the purposes of this rule,—

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- 3A. Mineral (Auction) Second Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 422(E) dated 18.06.2021.
- 3B. Mineral (Auction) Third Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 776 (E) dated 02.11.2021.
6. Mineral (Auction) Amendment Rules, 2024, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 49 (E) dated 21.01.2024.
- 7B. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 776 (E) dated 22.10.2025.

(i) “Affiliate” with respect to a bidder shall mean a person who,

- (a) controls such bidder,
  - (b) is controlled by such bidder,
  - (c) is under common control with such bidder,
  - (d) is an associate company of the bidder, or
  - (e) is a subsidiary company of such bidder;
- (ii) the expressions “associate company”, “control” and “subsidiary company” shall have the same meanings as assigned to them in the Companies Act, 2013 (18 of 2013).’

**7. Electronic Auction.-**

- (1) An auction shall be conducted only through an online electronic auction platform.
- (2) The State Government may utilise any online electronic auction platform which meets the minimum technical and security requirements as specified in the Guidelines for compliance to Quality requirements of e-Procurement Systems issued by the Standardisation Testing and Quality Certification Directorate, Department of Information Technology, Ministry of Communications and Information Technology, Government of India.

**8. Bidding parameters.-**

- (1) The State Government shall specify in the tender document the minimum percentage of the value of mineral despatched, which shall be known as the “reserve price”.
- (2) The value of mineral despatched shall be an amount equal to the product of,-
  - (i) mineral despatched in a month; and
  - (ii) sale price of the mineral (grade-wise and State-wise) as published by Indian Bureau of Mines for such month of despatch.
- (3) The bidders shall quote, as per the bidding parameter, for the purpose of payment to the State Government, a percentage of value of mineral despatched equal to or above the reserve price and the successful bidder shall pay to the State Government, an amount equal to the product of,-
  - (i) percentage so quoted; and
  - (ii) value of mineral despatched.

- (4) Where an area is being auctioned for more than one mineral, the percentage of value of mineral despatched as quoted by the successful bidder under sub-rule (3) shall be applicable for the purpose of payment to the State Government in respect of each such mineral.

<sup>8A</sup> [Provided that in case of mineral blocks auctioned after the commencement of the Mineral (Auction) Second Amendment Rules, 2026, any mineral specified in Part D of the First Schedule of the Act (except Graphite, Phosphate and Potash) shall be considered as included mineral under section 15B and auction premium shall not be payable in respect of such mineral in accordance with the Eighth Schedule of the Act, if the value of estimated resources of all such minerals is less than ten per cent. as compared to the total value of estimated resources of all the minerals in the block.]

- (5) If subsequent to grant of a mining lease, one or more new minerals are discovered, <sup>7B</sup> *[then such minerals may be included in the mining lease in accordance with the provisions of section 15B.]*

## 9. Bidding Process.-

- (1) Subject to the provisions of rule 5, the State Government shall issue a notice inviting tender, including on their website, to commence the auction process and such notice shall contain brief particulars regarding the area under auction, including,-

- (a) particulars of the area identified and demarcated using total station and differential global positioning system divided into forest land, land owned by the State Government, and land not owned by the State Government:

<sup>5</sup>[Provided that where details of the land is available in the Prime Minister Gati Shakti - National Master Plan for Multi-modal Connectivity platform or land record portal of the State Government or any other Government authority, the State Government may use such details for classification of the land; and”;

- (b) estimated mineral resources and brief particulars regarding evidence of mineral contents with respect to all minerals discovered in the area during exploration in accordance with the provisions of the Minerals (Evidence of Mineral Contents) Rules, 2015.

- (2) The tender document issued by the State Government shall contain,-

- (a) geological report pursuant to the Minerals (Evidence of Mineral Contents) Rules, 2015 specifying particulars and estimated quantities of all minerals discovered in the area;<sup>3</sup>[omitted]
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3. Mineral (Auction) Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 195(E) dated 17.03.2021.
5. Mineral (Auction) Amendment Rules, 2023, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 648 (E) dated 01.09.2023.
- 7B. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 776 (E) dated 22.10.2025.
- 8A. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 223 (E) dated 30.03.2026.

(b) revenue survey details of the area identified and demarcated using total station and differential global positioning system divided into forest land, land owned by the State Government, and land not owned by the State Government:

<sup>5</sup> [ Provided that where details of the land is available in the Prime Minister Gati Shakti - National Master Plan for Multi-modal Connectivity platform or land record portal of the State Government or any other Government authority, the State Government may use such details for classification of the land; and”;

(c) <sup>3</sup>[the scheduled date of commencement of production 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.]

(3) The bidders shall be provided a fixed period, as notified by the State Government, to study the tender document and such reports and the bidding process shall commence only on expiry of such period.

<sup>1</sup>[(4) The auction shall be an ascending forward online electronic auction and shall comprise of attempts of auction with each attempt of auction consisting of a first round of auction and a second round of auction.

(5) In the first round of auction, the bidders shall submit, –

(A) a technical bid comprising amongst others, documentary evidence to confirm eligibility as per the provisions of the Act and the rules made thereunder to participate in the auction, bid security and such other documents and payments as may be specified in the tender document; and

(B) an initial price offer which shall be a percentage of value of mineral despatched.

<sup>3A</sup>[ Provided that bid security shall be for an amount equivalent to 0.25 per cent. of the value of estimated resources or fifty crore rupees, whichever is lower, and shall be submitted in the form of a bank guarantee or through security deposit <sup>8</sup>[or through insurance surety bond].

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1. Mineral (Auction) Amendment Rules, 2017, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 1469 dated 30.11.2017.

3. Mineral (Auction) Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 195(E) dated 17.03.2021.
- 3A. Mineral (Auction) Second Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 422(E) dated 18.06.2021.
5. Mineral (Auction) Amendment Rules, 2023, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 648 (E) dated 01.09.2023.
8. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 71 (E) dated 29.01.2026.

Provided further that in auction for composite licence for the mineral block having such type of deposit as specified in serial number I, II and III of Part III of Schedule I to the Minerals (Evidence of Mineral Contents) Rules, 2015 (except those covered under Schedule II of the said rules), whose estimated quantity of mineral resources is not possible to be assessed for calculating the value of estimated resources under clause (m) of sub-rule (1) of rule 2, but the mining potentiality of the block has been identified based on the existing geoscience data, the bid security shall be fifty lakh rupees.]

<sup>3C</sup>[Provided also that in case the area proposed by a person under sub-rule (1A) of rule 7 of the Minerals (Evidence of Mineral Contents) Rules, 2015 is put up for auction to grant a composite licence, such person shall be required to submit the bid security of only fifty per cent. of the amount specified in this clause for participating in the auction for the said area.]

- (6) Only those bidders who are found to be eligible in accordance with the terms and conditions of eligibility specified in rule 6 and whose initial price offer is equal to or greater than the reserve price, referred to as “technically qualified bidders”, shall be considered for the second round of auction.
- (7) The highest initial price offer amongst the technically qualified bidders shall be the floor price for the second round of online electronic auction.
- (8) The technically qualified bidders shall be ranked on the basis of the descending initial price offer submitted by them and the technically qualified bidders holding the first fifty per cent. of the ranks (with any fraction rounded off to higher integer) or the top five technically qualified bidders, whichever is higher, shall qualify as qualified bidders for participating in the second round of electronic auction:

Provided that if the number of technically qualified bidders is between three and five, then all the technically qualified bidders shall be considered as qualified bidders:

Provided further that in the event of identical initial price offers being submitted by two or more technically qualified bidders, all such technically qualified bidders shall be assigned the same rank for the purposes of determination of qualified bidders and in such case, the aforementioned fifty per cent shall stand enhanced to the extent of tie occurring within the first fifty per cent.

## Illustration

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- 3C. Mineral (Auction) Fourth Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 857(E) dated 14.12.2021.

In the event there are a total of ten technically qualified bidders, and each technically qualified bidder submits different initial price offer, then the technically qualified bidders holding the first fifty per cent. of ranks shall be considered to be qualified bidders. If three such technically qualified bidders submit the same initial price offer and are ranked in first fifty per cent. of the total number of ranks, then, all the three technically qualified bidders shall be considered to be qualified bidders and the total number of qualified bidders shall stand increased by two.

- (9) Where the total number of technically qualified bidders is three or more, the auction process shall proceed to the second round of auction which shall be held in the following manner, namely:-
- (i) the qualified bidders may submit their final price offer which shall be a percentage of value of mineral despatched and greater than the floor price: Provided that the final price offer may be revised till the conclusion of the auction as per the technical specifications of the auction platform;
  - (ii) The auction process shall be annulled if none of the qualified bidders submits a final price offer on the online electronic auction platform;
  - (iii) The qualified bidder who submits the highest final price offer shall be declared as the “preferred bidder” immediately on conclusion of the auction <sup>7A</sup>*[automatically by the online electronic auction platform for public view.]*
- (10) Where the total number of technically qualified bidders is less than three, then no technically qualified bidder shall be considered to be qualified bidder and the first attempt of auction shall be annulled.
- (11) On annulment of the first attempt of auction, the State Government may decide to—
- (a) commence the auction process de novo with a separate set of terms and conditions and reserve price as it may deem fit and necessary; or
  - (b) conduct the second attempt of auction.
- (12) In case the State Government decides to conduct the second attempt of auction as per clause (b) of sub-rule (11), the terms and conditions of the second attempt of auction shall remain the same as in the first annulled attempt of auction:

Provided that the highest initial price offer of the technically qualified bidders if any in the first annulled attempt shall be the reserve price in first round of the second attempt:

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7A. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 764 (E) dated 17.10.2025.

Provided further that the bidding shall continue to the second round even in case the number of technically qualified bidders is less than three] [, and even in case of a single technically qualified bidder.

**9A. <sup>3A</sup> [ Conduct of auction of mining lease by Central Government.—**

- (1) The State Government shall intimate to the Central Government the details of all the areas or mines available with the State Government for auction of mining lease, including the mining leases expired under section 8A and cases covered under sub-section (2) of section 10A, within forty-five days of the commencement of the Mineral (Auction) Second Amendment Rules, 2021.
- (2) The State Government shall intimate to the Central Government regarding the following namely:—
  - (a) receipt of any geological report in respect of any area or mine for auction of mining lease from Geological Survey of India, Mineral Exploration Corporation Limited or any other Government or private entity, within a period of forty-five days of receiving it, along with a tentative schedule for notification of such area and conducting auction of such area under sub-sections (3) and (4) of section 10B, respectively;
  - (b) publication of notification under sub-section (3) of section 10B along with its copy, within fifteen days of publication of such notification;
  - (c) issue of notice inviting tender for auction for mining lease under rule 9 along with its copy, within fifteen days of issue of such notice;
  - (d) outcome of any auction for mining lease, within fifteen days of completion of auction; and
  - (e) termination of mining lease or lapsing of letter of intent for mining lease, within fifteen days from such termination or lapse.
- (3) In case the Central Government decides to notify an area for auction or conduct auction for mining lease under the proviso to sub-section (3) or sub-section (4) of section 10B, as the case may be, the provisions of rules 5 to 9, as applicable to a State Government, shall mutatis mutandis be also applicable to the Central Government.

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3A. Mineral (Auction) Second Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 422(E) dated 18.06.2021.

- (4) Upon successful completion of the auction, the Central Government shall intimate the details of the preferred bidder in the auction to the State Government and the State Government shall grant mining lease for such area to such preferred bidder in accordance with rule 10.]

**<sup>5</sup>[9B. 11D.— Conduct of auction of mining lease by Central Government under section**

- (1) The State Government shall intimate to the Central Government the details of all the areas or mines available with the State Government for auction of mining lease, in respect of any mineral specified in the Part D of the First Schedule to the Act within forty-five days of the commencement of the Mineral (Auction) Amendment Rules, 2023.
- (2) The State Government shall intimate to the Central Government regarding the following, namely:—
- (a) receipt of any geological report in respect of any mineral specified in the Part D of the First Schedule to the Act for auction of mining lease from Geological Survey of India, Mineral Exploration Corporation Limited or any other Government or private entity, within a period of forty-five days of receiving it;
- (b) termination of mining lease or lapsing of letter of intent for mining lease in respect of any mineral specified in the Part D of the First Schedule to the Act, within fifteen days from such termination or lapse;
- (3) The Central Government may require the State Government to provide the details specified under rules 5 and 9 for conduct of auction and the State Government shall provide such details to the Central Government within thirty days.
- (4) For conducting an auction by the Central Government for grant of mining lease under section 11D, the provisions of rules 5 to 9, as applicable to a State Government, shall mutatis mutandis be also applicable to the Central Government.
- (5) Upon successful completion of the auction, the Central Government shall intimate the details of the preferred bidder in the auction to the State Government and the State Government shall grant mining lease for such area to such preferred bidder in accordance with rule 10.”.]

## 10. Grant of Mining Lease.-

- (1) The preferred bidder shall submit the first instalment of the upfront payment as per rule 11 <sup>7A</sup> [and furnish performance security as specified in rule 12 within forty-five days] after being declared as preferred bidder:

<sup>7A</sup> [Provided that in case where preferred bidder is declared before the commencement of the Mineral (Auction) Second Amendment Rules, 2025, such preferred bidder shall furnish performance security within six months of the commencement of the said rules and in case of failure to furnish the performance security within the said period, the letter of intent shall be invalidated leading to annulment of the entire process of auction.;]

- <sup>3A</sup>[(1A) In case the preferred bidder fails to submit the first instalment of the upfront amount within the period <sup>8</sup>[Omitted] specified in sub-rule (1), the State Government shall,—

- (a) forfeit the bid security of the preferred bidder; and
- (b) offer the bidder who had submitted the second-highest price offer in the second round of auction to meet the highest final price offer and if the said bidder agree to the said offer in writing and submit the first instalment of upfront amount <sup>8</sup>[and furnish performance security as specified in rule 12 within forty-five days] of receipt of offer, the State Government shall declare said bidder as the preferred bidder and issue letter of intent in accordance with sub-rule (2):

<sup>8</sup>[Omitted] ]

- (2) <sup>7A</sup> [Upon receipt of the first instalment of the upfront payment and performance security, the State Government shall issue a letter of intent to the preferred bidder within thirty days of receipt of such payment and performance security.”;]

<sup>8A</sup>[Provided that on and from the date specified by the Central Government, upon the receipt of such payment and performance security, the letter of intent shall automatically be issued through the online unified mining portal on behalf of the State Government and thereafter sub-rule (2A) shall have no effect.]

- (2A) <sup>7A</sup> [In case the State Government does not issue the letter of intent to the preferred bidder within the time specified in sub-rule (2), the amount of second instalment of the upfront payment payable under clause (b) of sub-rule (3) of this rule and rule 11 shall reduce by five per cent. for the delay of each month or a part thereof in issue of the letter of intent and the preferred bidder shall pay only the remaining amount as the second instalment.”;]

<sup>8A</sup>[(2B) The State Government may allow the preferred bidder for exclusion of a portion at an edge of the block where the estimated quantity of mineral resources in such portion is less than twenty-five per cent. of the total estimated quantity of mineral resources in the block for the reason that the mining in such portion is not feasible due to issues such as forest, wildlife corridor, river, nallah, habitation, or infrastructure and the like.]

(3) The preferred bidder shall be considered to be the “successful bidder” upon,-

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- 3A. Mineral (Auction) Second Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 422(E) dated 18.06.2021.
- 7A. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 764 (E) dated 17.10.2025.
8. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 71 (E) dated 29.01.2026.
- 8A. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 223 (E) dated 30.03.2026.

- (a) continuing to be in compliance with all the terms and conditions of eligibility;
- (b) payment of the second instalment <sup>3A</sup>[omitted]of the upfront payment;

<sup>8A</sup> [ Provided that where a notice inviting tender is issued after the commencement of the Mineral (Auction) Second Amendment Rules, 2026, the payment of the second instalment of the upfront payment shall be made within a period of one year from the date of issue of the letter of intent.]

- (c) furnishing performance security as specified in rule 12; <sup>7A</sup>(*Omitted*)
- (d) satisfying the conditions specified in clause (b) of sub-section (2) of section 5 with respect to a mining <sup>2</sup>[plan:

Provided that, in case of auction of mining leases under Sub-sections (5) and (6) of Section 8A of the Act, the vesting order issued under Rule 9A of the Minerals (Other than Atomic and Hydrocarbons Energy Minerals) Concession Rules, 2016 shall be applicable; and”;

- (e) satisfying such other conditions as may be specified by the State Government with the prior approval of the Central Government.
- (4) The successful bidder shall sign the Mine Development and Production Agreement with the State Government upon obtaining all consents, approvals, permits, no-objections and the like as may be required under applicable laws for commencement of mining operations.

- (5) The successful bidder shall pay the third instalment <sup>3A</sup>[omitted] of the upfront payment subsequent to execution of the Mine Development and Production Agreement, and upon such payment the State Government shall grant a mining lease to the successful bidder.
- (6) The Mining Lease Deed shall be executed by the State Government within thirty days of the date of completion of the conditions specified in sub-rule (5) and shall be subject to the provisions of the Act and the rules made thereunder.

<sup>1</sup>[Provided that no Mining Lease Deed shall be executed on expiry of a period of three years from the date of the letter of intent, and the letter of intent shall be invalidated leading to annulment of the entire process of auction:]

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1. Mineral (Auction) Amendment Rules, 2017, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 1469 dated 30.11.2017.
2. Mineral (Auction) Amendment Rules, 2020, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 190(E) dated 20.03.2020.
- 3A. Mineral (Auction) Second Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 422(E) dated 18.06.2021.
- 7A. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 764 (E) dated 17.10.2025.
- 8A. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 223 (E) dated 30.03.2026.

<sup>8A</sup>[Provided further that a further period of two years for execution of the Mining Lease Deed shall be allowed if the committee made under sub-rule (2) of rule 10A, is satisfied that the preferred bidder shall be able to comply with all requirements for execution of the Mining Lease Deed within such extended period and the preferred bidder has paid all three instalments of the upfront amount before allowing such further period.

Provided also that where a notice inviting tender is issued after the commencement of the Mineral (Auction) Second Amendment Rules, 2026, the second proviso shall only be applicable for the blocks containing forest land in part or full.]

<sup>7A</sup>[Explanation.— For the purpose of this rule, it is clarified that in case of annulment of the auction due to non-compliance of conditions under these rules, the bid security or the performance security, as the case may be, and any instalment of upfront payment paid shall be forfeited <sup>8A</sup>[and in case of annulment of auction due to mining in the block is made impossible for the reasons not attributable to the preferred bidder or the successful bidder as decided by such committee, such security and payments shall be returned to such bidder preferably within a period of ninety days of such annulment .]<sup>8A</sup>]<sup>7A</sup>

- <sup>2</sup>[(6A) Notwithstanding anything contained in these rules, the mining lease shall be executed by the State Government within a period of fifteen days from –

- (i) the date of issue of Letter of Intent to the new lessee to whom the vesting order has been issued under Rule 9A of Minerals (Other than Atomic and Hydrocarbons Energy Minerals) Concession Rules, 2016; or
  - (ii) commencement of the Mineral Auction (Amendment) Rules, 2020; or
  - (iii) the expiry of the lease period of the previous lessee; whichever is later.
- (6B) The holder of the Letter of Intent shall comply with all the requirements to execute the mining lease within the period referred to in Sub-rule (6A), failing which, the Letter of Intent shall be revoked and the bid security or the performance security, as the case may be, and any instalment of upfront payment paid shall be forfeited, and the preferred bidder or successful bidder may be debarred by the State Government from participating in the future auction of mineral blocks conducted under the provisions of these rules, for three years from the date of such debarment: Provided that on receipt of an application from the holder of the Letter of Intent, the State Government, may extend the period for execution of the lease deed by a further period not exceeding fifteen days, on satisfaction that such delay is entirely for the reasons beyond the control of the holder of Letter of Intent.]
- (7) The mining lease shall be for minerals found in the area pursuant to exploration prior to the auction:

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- 2. Mineral (Auction) Amendment Rules, 2020, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 190(E) dated 20.03.2020.
  - 7A. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 764 (E) dated 17.10.2025.
  - 8A. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 223 (E) dated 30.03.2026.

Provided that where, subsequent to the auction, any new mineral is discovered, then the holder of mining lease shall follow the provisions of <sup>7B</sup> [section 15B and] the <sup>1</sup>[Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016] for inclusion of such new mineral in the Mining Lease Deed.

- (8) Where, prior to the auction or subsequent to the auction, presence of minor mineral is established or discovered, such minor minerals shall be dealt in accordance with <sup>7B</sup> [section 15B and the rules] made by the State Government under section 15.
- (9) The date on which a duly executed Mining Lease Deed is registered shall be the date of commencement of the mining lease.

- (1) *Subject to the provisions of rule 10, a preferred bidder for grant of mining lease shall comply with the timelines specified in Schedule VI for each milestone.*
- (2) *In case of delay in compliance or non-compliance of the timelines for the completion of milestones specified in the said Schedule, a committee (hereinafter referred to as the said committee) under the chairmanship of the Director, Directorate of Mines and Geology of the State Government (by whatever name called) with members from the Indian Bureau of Mines and Revenue Department, Forest Department, Environment Department and such other concerned Department of the State Government shall take a decision as to whether delay or non-compliance is attributable to the preferred bidder or the successful bidder, as the case may be, after giving reasonable opportunity of being heard to such bidder.*
- (3) *Where such delay or non-compliance is decided by the said committee to be attributable to the preferred bidder or successful bidder, as the case may be, the State Government shall appropriate such percentage of performance security as specified in Schedule VI.*
- (4) *Upon appropriation of performance security, the preferred bidder or the successful bidder, as the case may be, shall recoup or top-up the performance security within a period of two months period from the date of issue of the order of appropriation.*
- (5) *The completion time provided for the milestones specified in Schedule VI shall not prohibit the preferred bidder or the successful bidder, as the case may be, from obtaining clearances, permission or the like concurrently or earlier than the time provided, if allowed under the law relating to such clearance, permission or the like.*

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1. Mineral (Auction) Amendment Rules, 2017, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 1469 dated 30.11.2017.
  - 7A. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 764 (E) dated 17.10.2025.
  - 7B. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 776 (E) dated 22.10.2025.

- (6) *The decision of the said committee on appropriation or non-appropriation of performance security on delay or non-compliance of the timelines shall not affect the liability of the preferred bidder or successful bidder, as the case may be, for compliances of any other conditions or timelines required under the laws applicable on such bidder.*
- (7) *The appropriation or non-appropriation of performance security for non-compliance of the timelines provided for above milestones shall not affect the decision of the State Government regarding extension of period for execution of mining lease as per second proviso to sub-rule (6) of rule 10 and in any case, the period provided under provisos to sub-rule (6) of rule 10 shall not be exceeded beyond the period of extension allowed under the said provisos.*

- (8) *Submission of incomplete application or not providing sufficient time to the respective Government authority for processing and taking decision on the application, may be treated by the State Government as 'delay attributable to the preferred bidder or the successful bidder' in case of non-compliance of the timelines.*
- (9) *If the preferred bidder or the successful bidder, as the case may be, is able to complete the milestone - 3 specified in Schedule VI within the period of three years from the date of issue of letter of intent, then the amount of performance security appropriated for delay in completion of any milestone (if any) shall be adjusted by the State Government against auction premium payable by the successful bidder.*
- (10) *The provision of this rule shall also be applicable in the cases where the letter of intent for mining lease has been issued prior to the commencement of the Mineral (Auction) Second Amendment Rules, 2025 for the milestones which are remaining to be complied by the preferred bidder or the successful bidder and the timeline for the first of the milestones remaining to be complied in such case shall start from the date of commencement of the said rules:*

*Provided that in such cases the period provided under the provisos to sub-rule (6) of rule 10 shall not be exceeded beyond the period of extension allowed under the said provisos. ”.]<sup>7A</sup>*

#### **11. Upfront payment for mining lease.-**

- (1) An amount equal to 0.50% of the value of estimated resources shall be the upfront payment.

<sup>6</sup>[ Provided that for the preferred bidder selected pursuant the notice inviting tender issued after the date of commencement of the Mineral (Auction) Amendment Rules, 2024, the amount of upfront payment shall not exceed five hundred crore rupees.]

- (2) The upfront payment shall be payable to the State Government in three instalments of <sup>3A</sup>[twenty per cent.; twenty per cent.; and sixty per cent] as specified in the tender document and shall be <sup>1</sup>[adjusted in full at the earliest against the amount to be paid under sub-rule (3) of rule 8 on] commencement of production of mineral as specified in the tender document.

#### **12. Performance security for mining lease.—**

- (1) The <sup>1</sup>[preferred] bidder shall provide a performance security of an amount of 0.50% of the value of estimated resources and the performance security shall be adjusted every five years so that it continues to correspond to 0.50% of the reassessed value of estimated resources <sup>1</sup>[including the value of any newly discovered mineral that may be included in the mining lease deed on its discovery.]

Provided that for the preferred bidder selected pursuant to the notice inviting tender issued after the date of commencement of the Mineral (Auction) Amendment Rules, 2024, the amount of performance security shall not exceed five hundred crore rupees.

- (2) The performance security provided through bank guarantee in the format as specified in Schedule III or through security deposit, <sup>8</sup>[or through insurance surety bond in the format as specified in Schedule III-A] may be invoked as per the provisions of –
  - (i) the Mine Development and Production Agreement; and
  - (ii) the Mining Lease Deed.

### 13. Payments under mining lease.—

- (1) The lessee shall pay royalties and dead rent to the State Government as specified in the Act and the rules made thereunder.
- (2) The lessee shall pay the applicable amount quoted under rule 8 to the State Government on a monthly basis.

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1. Mineral (Auction) Amendment Rules, 2017, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 1469 dated 30.11.2017.
  - 3A. Mineral (Auction) Second Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 422(E) dated 18.06.2021.
  6. Mineral (Auction) Amendment Rules, 2024, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 49 (E) dated 21.01.2024.

<sup>3</sup> [ 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] <sup>7A</sup> [five years from the date of issue of letter of intent for grant of mining lease:

*Provided further that in case of auction of composite licence, 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 seven years from the date of issue of letter of intent for grant of composite:*

*Provided also that the above provisos shall not be applicable in case where vesting order has been issued under rule 9A of the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016;:]*

<sup>7A</sup>*[Provided also]* that for such 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 as may be required under any law for the time being in force for starting early production.

Explanation— For the purposes of this sub-rule, it is clarified that the incentive specified in the <sup>7A</sup>*[first proviso and second proviso]* on payment of amount quoted under Rule 8 shall be applicable on the quantity of mineral produced and dispatched between actual date and the <sup>7A</sup>*[date of commencement of production as specified in this sub-rule.]*

- (3) The lessee shall contribute such amounts as may be required under the Act to -
  - (a) the designated account of the National Mineral Exploration <sup>8</sup>*[and Development Trust]; and*
  - (b) the designated account of the District Mineral Foundation.
- (4) The lessee shall also pay such other amounts as may be required under any law for the time being in force to the concerned authorities.

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3. Mineral (Auction) Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 195(E) dated 17.03.2021.
  - 7A. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 764 (E) dated 17.10.2025.
  8. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 71 (E) dated 29.01.2026.

#### **14. Payment of Interest.—**

The State Government shall charge simple interest at the rate of <sup>3B</sup>*[twelve]* per cent. per annum on any payment due to State Government under these rules the payment of which is delayed beyond the due date thereof.

#### **15. Time Period.—**

The time period for compliance of rules 10 to 14 shall be as specified in the tender document.

### **CHAPTER III GRANT OF COMPOSITE LICENCE**

#### **16. Prerequisites for auction of Composite Licence.—**

- (1) The State Government may initiate an auction process for grant of a Composite Licence with respect to an area within the State in accordance with the provisions of the Act and this Chapter subject

to the condition that the requirements of rule 7 of the Minerals (Evidence of Mineral Contents) Rules, 2015 have been satisfied:

<sup>7B</sup>[Omitted]

- (2) The State Government shall, prior to issuance of the notice inviting tender with respect to auction, identify and demarcate the area where a Composite Licence is proposed to be granted through auction using total station and differential global positioning system <sup>4</sup>[or global positioning system.]

**17. Auction for Composite Licence.—**

- (1) The auction process as specified in rules 6 to 9 shall be applicable for conduct of auction for grant of a Composite Licence subject to the following, namely:—
  - (a) the State Government shall not make any reservation on the basis of end use;
  - (b) the State Government shall subject to compliance of rule 16, issue a notice inviting tender, including on their website, to commence the auction process and such notice shall contain brief particulars regarding the area under auction, including,-

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3B. Mineral (Auction) Third Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 776 (E) dated 02.11.2021.

4. Mineral (Auction) Amendment Rules, 2022, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 137 (E) dated 18.02.2022.

7B. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 776 (E) dated 22.10.2025.

- (i) particulars of the area identified and demarcated using total station and differential global positioning system <sup>4</sup>[or global positioning system] and
- (ii) estimated mineral resources with respect to all minerals discovered in the area and brief particulars regarding satisfaction of the requirements specified in rule 7 of the Minerals (Evidence of Mineral Contents) Rules, 2015;
- (c) the tender document issued by the State Government, shall contain,—
  - (i) geological report specifying particulars and estimated quantities of all minerals discovered in the area during exploration pursuant to Minerals (Evidence of Mineral Contents) Rules, 2015; and

<sup>4</sup>[(ii) details of the area identified, demarcated using total station and differential global positioning system, or global positioning system;”.]

(d) the bidders shall be provided a fixed period, as prescribed by the State Government, to study the Tender Document and such reports and the bidding process shall commence only on expiry of such period.

<sup>3A</sup>[17A. **Conduct of auction of composite licence by Central Government.—**

(1) The State Government shall intimate to the Central Government the details of all the areas or mines available with the State Government for auction of composite licence, including the prospecting licence expired under section 7 and cases covered under sub-section (2) of section 10A, within forty-five days of the commencement of the Mineral (Auction) Second Amendment Rules, 2021.

(2) The State Government shall intimate to the Central Government regarding the following namely:—

(i) receipt of any geological report in respect of any area or mine for auction of composite licence from the Geological Survey of India, Mineral Exploration Corporation Limited or any other Government or private entity, within a period of forth-five days of receiving it, along with a tentative schedule for notification of such area and conducting auction of such area under sub-sections (4) and (5) of section 11, respectively;

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3A. Mineral (Auction) Second Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 422(E) dated 18.06.2021.

4. Mineral (Auction) Amendment Rules, 2022, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 137 (E) dated 18.02.2022.

(ii) publication of notification under sub-section (4) of section 11 along with its copy, within fifteen days of publication of such notification;

(iii) issue of notice inviting tender for auction for composite licence along with its copy, within fifteen days of issue of such notice;

(iv) outcome of any auction for composite licence, within fifteen days of completion of auction; and

(v) termination of composite licence or lapsing of letter of intent for composite licence, within fifteen days from such termination or lapse.

(3) In case the Central Government decides to notify an area for auction or conduct auction for composite licence under the proviso to sub-section (4) or sub-section (5) of section 11, as the case may be, the provisions of rules 16 and 17, as applicable to a State Government,

shall mutatis mutandis be also applicable to the Central Government.

- (4) Upon successful completion of the auction, the Central Government shall intimate the details of the preferred bidder in the auction to the State Government and the State Government shall grant composite licence for such area to such preferred bidder in accordance with rule 18.]

**<sup>5</sup>[17B. Conduct of auction of composite licence by Central Government under section 11D.—**

- (1) The State Government shall intimate to the Central Government the details of all the areas or mines available with the State Government for auction of composite licence, in respect of any mineral specified in the Part D of the First Schedule to the Act within a period of forty-five days of the commencement of the Mineral (Auction) Amendment Rules, 2023.
- (2) The State Government shall intimate to the Central Government regarding the following, namely:—
  - (a) receipt of any geological report in respect of any mineral specified in the Part D of the First Schedule to the Act for auction of composite licence from Geological Survey of India, Mineral Exploration Corporation Limited or any other Government or private entity, within a period of fortyfive days of receiving it;

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5. Mineral (Auction) Amendment Rules, 2023, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 648 (E) dated 01.09.2023.

- (b) termination of composite licence or lapsing of letter of intent for composite licence in respect of any mineral specified in the Part D of the First Schedule to the Act, within fifteen days from such termination or lapse;
- (3) The Central Government may require the State Government to provide the details specified under rules 16 and 17 for conduct of auction and the State Government shall provide such details to the Central Government within thirty days.
- (4) For conducting an auction by the Central Government for grant of composite licence under section 11D, the provisions of rules 16 and 17, as applicable to a State Government, shall mutatis mutandis be also applicable to the Central Government.
- (5) Upon successful completion of the auction, the Central Government shall intimate the details of the preferred bidder in the auction to the State Government and the State Government shall grant composite licence for such area to such preferred bidder in accordance with rule 18.”.]

**18. Grant of Composite Licence.—**

- (1) Upon completion of the auction process, the preferred bidder shall submit a performance security in the manner specified in sub-rule (1) of rule 19 <sup>7A</sup> [*within forty-five days after*] being declared as preferred bidder and upon receipt of such performance security, the State Government shall issue a letter of intent to the preferred bidder <sup>7A</sup> [*within thirty days of*] receipt of performance security:

<sup>8</sup>[Omitted]

<sup>8A</sup>[Provided that on and from the date specified by the Central Government, upon the receipt of such performance security, the letter of intent shall automatically be issued through the online unified mining portal on behalf of the State Government and thereafter, sub-rule (1B) shall have no effect.]

- (1A) In case the preferred bidder fails to submit the performance security within the period <sup>8</sup>[Omitted] specified in sub-rule (1), the State Government shall,—

- (a) forfeit the bid security of the preferred bidder; and
- (b) offer the bidder who had submitted second-highest price offer in the second round of auction to meet the highest final price offer and if the said bidder agree to the said offer in writing and submit the performance security within <sup>8</sup>[*forty-five days*] of receipt of offer, the State Government shall declare the said bidder as the preferred bidder and issue letter of intent in accordance with <sup>7A</sup>[*sub-rule (1):*]

<sup>8</sup>[Omitted]

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7A. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 764 (E) dated 17.10.2025.

8. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 71 (E) dated 29.01.2026.

<sup>7A</sup>[(1B) *In case the State Government does not issue the letter of intent to the preferred bidder within the time specified in sub-rule (1) or sub-rule (1A), as the case may be, the amount of first installment of the upfront payment payable under clause (b) of sub-rule (6) of this rule and rule 11 shall reduce by five per cent. for the delay of each month or a part thereof in issue of the letter of intent and the preferred bidder shall pay only the remaining amount as the first installment.*]

- (2) On receipt of the letter of intent the preferred bidder shall be considered to be the successful bidder upon fulfilment of the following conditions, namely:—

- (a) compliance with all the terms and conditions of eligibility;
- (b) obtaining all consents, approvals, permits, no-objections and the like as may be required under applicable laws for commencement of prospecting operations; and

- (c) submitting the Scheme of prospecting.
- (3) Upon fulfilment of the conditions specified in sub-rule (2), the State Government shall grant a Composite Licence to the successful bidder and such Composite Licence shall be subject to the provisions of the Act and the rules made thereunder, as applicable to a prospecting licence and mining lease.

Provided that on expiry of a period of one year from the date of the letter of intent, no <sup>7A</sup>[Prospecting] Licence Deed of Composite Licence shall be executed and the letter of intent shall be invalidated leading to annulment of the entire process of auction:

<sup>8A</sup> [Provided further that a further period of six months for execution of the prospecting licence deed shall be allowed if the committee made under sub-rule (2) of rule 18A is satisfied that the preferred bidder shall be able to comply with all requirements for execution of the prospecting licence deed within such extended period.]

- (4) The minimum area for grant of a Composite Licence shall not be less than the minimum area for which a mining lease may be granted in accordance with the provisions of the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 and the maximum area shall be in accordance with section 6 as applicable to a prospecting licence.
- (5) The holder of a Composite Licence shall conduct geological exploration of the area under the Composite Licence so as to ascertain evidence of mineral contents and shall submit periodic reports in accordance with the Act and rules made thereunder, as applicable to a prospecting licence and all reports, studies and other documentation related to the geological exploration of the area under the Composite Licence shall be submitted to the State Government and Indian Bureau of Mines.

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8A. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 223 (E) dated 30.03.2026.

- (6) If a holder of a Composite Licence,—
  - (a) fails to complete prospecting operations in accordance with sub-section (9) of section 11 or fails to establish the existence of mineral contents in accordance with the Minerals (Evidence of Mineral Contents) Rules, 2015, such holder shall not be eligible to receive a mining lease and the Composite Licence shall be terminated;
  - (b) completes prospecting operations and submits to the State Government the result of the prospecting operations in the form of a geological report prepared in accordance with sub-section (10) of section 11 resulting in determination of evidence of mineral contents conforming to the Mineral

(Evidence of Mineral Contents) Rules, 2015; specifying the area required for grant of a mining lease, accompanied with the first instalment of the upfront payment as specified in rule 11, <sup>7A</sup>[and the enhanced performance security as specified in sub-rule (2) of rule 19] then the State Government shall issue a letter of intent for mining lease within a period of fifteen days:

Provided that any excess area shall be deemed to be surrendered by the holder of Composite Licence after completing its reclamation:

Provided further that after submission of the geological report prepared in accordance with the Mineral (Evidence of Mineral Contents) Rules, 2015, the holder of composite licence may relinquish the entire area and in such case the State Government shall, after being satisfied that the geological report has been prepared conforming to the said rules, return the performance security.

<sup>7A</sup>["Provided also that in case where letter of intent for mining lease has been issued before the commencement of the Mineral (Auction) Second Amendment Rules, 2025, the holder of composite licence shall furnish the enhanced performance security as specified in sub-rule (2) of rule 19 within six months of the commencement of the said rules and in case of failure to furnish the enhanced performance security within the said period, the letter of intent shall be invalidated leading to annulment of the entire process of auction.";]

<sup>8A</sup>[Provided also that on and from the date specified by the Central Government, upon the receipt of the first instalment of upfront amount and enhanced performance security as specified in clause (b), the letter of intent shall automatically be issued through the online unified mining portal on behalf of the State Government and thereafter, sub-rule (6A) shall have no effect.]

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7A. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 764 (E) dated 17.10.2025.

8A. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 223 (E) dated 30.03.2026.

<sup>7A</sup>[(6A) *In case the State Government does not issue the letter of intent to the preferred bidder within the time specified in clause (b) of sub-rule (6) of this rule, the amount of second installment of the upfront payment payable under clause (b) of sub-rule (8) of this rule and rule 11 shall reduce by five per cent. for the delay of each month or a part thereof in issue of the letter of intent and the preferred bidder shall pay only the remaining amount as the second installment.*"];]

(8) A Mine Development and Production Agreement shall be executed between the State Government and the holder of Composite Licence if the holder of a Composite Licence—

(a) continues to comply with the terms and conditions of eligibility;

(b) <sup>8A</sup>[pays the second instalments of the upfront payment:

Provided that where a notice inviting tender is issued after the commencement of the Mineral (Auction) Second Amendment Rules, 2026, the payment of the second instalment of the upfront payment shall be made within a period of one year from the date of issue of letter of intent for mining lease.]

(c) furnishes the enhanced performance security as specified in sub-rule (2) of rule 19;

<sup>7A</sup>[ *(Omitted)*]

(d) satisfies the conditions specified in clause (b) of sub-section (2) of section 5 with respect to a mining plan;

(e) obtains all consents, approvals, permits, no-objections and the like as may be required under applicable laws for commencement of mining operations; and

(f) satisfies such other conditions as may be specified by the State Government with the prior approval of the Central Government.

(9) The holder of the Composite Licence shall pay the third instalment <sup>8A</sup>[Omitted] of the upfront payment, subsequent to execution of the Mine Development and Production Agreement, and upon such payment, the State Government shall execute a Mining Lease Deed with the holder of the Composite Licence within thirty days of the date of completion of all the conditions specified in sub-rule (8).

<sup>7A</sup>[*“Explanation.— For the purposes of this sub-rule, it is clarified that the time period provided under the provisos to sub-rule (6) of rule 10 shall continue to be applicable in case of execution of mining lease pursuant to auction of composite licence.”*.]

(10) The mining lease shall be subject to the provisions of the Act and the rules made thereunder.

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7A. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 764 (E) dated 17.10.2025.

8A. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 223 (E) dated 30.03.2026.

(11) The mining lease shall be for minerals found in the area pursuant to exploration prior to the auction:

Provided that where subsequent to the auction, any new mineral is discovered, then the holder of the mining lease shall follow the provisions of <sup>7B</sup>[section 15B and] the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 for inclusion of such new mineral in the Mining Lease Deed.

- (12) Where prior to the auction or subsequent to the auction, presence of minor mineral is established or discovered, such minor minerals shall be dealt in accordance with <sup>7B</sup>[section 15B and the rules] as may be made by the State Government under section 15.
- (13) The date on which a duly executed Mining Lease Deed is registered shall be the date of commencement of the mining lease.

<sup>7A</sup>[18A. **Timelines for execution of mining lease of mineral block auctioned for composite licence.—**

- (1) *Subject to the provisions of rule 18, a preferred bidder for grant of composite licence shall comply with the timelines specified in Schedule VII for each milestone.*
- (2) *In case of delay in compliance or non-compliance of the timelines for the completion of milestones specified in the said Schedule, a committee (hereinafter referred to as the said committee) under the chairmanship of the Director, Directorate of Mines and Geology of the State Government (by whatever name called) with members from the Indian Bureau of Mines and Revenue Department, Forest Department, Environment Department and such other concerned Department of the State Government shall take a decision as to whether delay or non-compliance is attributable to the preferred bidder or the successful bidder, as the case may be, after giving reasonable opportunity of being heard to the such bidder.*
- (3) *Where such delay or non-compliance is decided by the said committee to be attributable to the preferred bidder or successful bidder, as the case may be, the State Government shall appropriate such percentage of performance security as specified in Schedule VII.*
- (4) *Upon appropriation of performance security, the preferred bidder or the successful bidder, as the case may be, shall recoup or top-up the performance security within a period of two months period from the date of issue of the order of appropriation.*

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7A. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 764 (E) dated 17.10.2025.

7B. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 776 (E) dated 22.10.2025.

- (5) *The completion time provided for the milestones specified in Schedule VII shall not prohibit the preferred bidder or the successful bidder, as the case may be, from obtaining clearances,*

*permission or the like concurrently or earlier than the time provided, if allowed under the law relating to such clearance, permission or the like.*

- (6) *The decision of the said committee on appropriation or non-appropriation of performance security on delay or non-compliance of the timelines shall not affect the liability of the preferred bidder or successful bidder, as the case may be, for compliances of any other conditions or timelines required under the laws applicable on him.*
- (7) *The appropriation or non-appropriation of performance security for non-compliance of the timelines provided for above milestones shall not affect the decision of the State Government regarding extension of period for execution of composite licence as per the second proviso to sub-rule (3) of rule 18 and in any case, the period provided under the provisos to sub-rule (3) of rule 18 shall not be exceeded beyond the period of extension allowed under the said provisos.*
- (8) *Submission of incomplete application or not providing sufficient time to the respective Government authority for processing and taking decision on the application, may be treated by the State Government as 'delay attributable to the preferred bidder or the successful bidder' in case of non-compliance of the timelines.*
- (9) *If the preferred bidder or the successful bidder, as the case may be, is able to complete the milestone - 5 specified in Schedule VII within the period of seven years from the date of issue of letter of intent for composite licence, then the amount of performance security appropriated for delay in completion of any milestone (if any) shall be adjusted by the State Government against auction premium payable by the successful bidder.*
- (10) *In case of appropriation, the performance security submitted pursuant to sub-rule (1) of rule 19 shall be appropriated in respect of milestones - 1 and 2 of Scheule VII and the performance security submitted pursuant to sub-rule (2) of rule 19 shall be appropriated in respect of milestones - 3 to 5.*
- (11) *The provision of this rule shall also be applicable in the cases where the letter of intent for composite licence has been issued prior to the commencement of the Mineral (Auction) Second Amendment Rules, 2025 for the milestones which are remaining to be complied by the preferred bidder or the successful bidder and the timeline for the first of the milestones remaining to be complied in such case shall start from the date of commencement of the said rules:*

*Provided that in such cases the period provided under the provisos to sub-rule (3) of rule 18 shall not be exceeded beyond the period of extension allowed under the said provisos.”.]*

**19. Performance Security for Composite Licence.—**

- (1) An amount of 0.25% of the value of estimated resources shall be payable by the preferred bidder as performance security prior to the issuance of the Composite Licence.

<sup>3A</sup> [Provided that for the mineral block having such type of deposit as specified in serial numbers I, II and III of Part III of Schedule I to the Minerals (Evidence of Mineral Contents) Rules, 2015 (except those covered under Schedule II of the said rules), whose estimated quantity of mineral resources is not possible to be assessed for calculating the value of estimated resources under clause (m) of sub-rule (1) of rule 2, but the mining potentiality of the block has been identified based on the existing geoscience data, the performance security shall be one crore and fifty lakh rupees.]

<sup>6</sup> [Provided further that for the preferred bidder selected pursuant the notice inviting tender issued after the date of commencement of the Mineral (Auction) Amendment Rules, 2024, the amount of performance security shall not exceed two hundred and fifty crore rupees.]

- (2) The amount of performance security shall be revised, prior to the issuance of the mining lease, to an amount of 0.50% of the value of estimated resources <sup>1</sup> [established by the holder of the Composite Licence after completion of prospecting operations in accordance with subsection (9) of section 11 of the Act resulting in determination of evidence of mineral contents conforming to the Mineral (Evidence of Mineral Contents) Rules, 2015]

- (3) The performance security provided under sub-rule (2) shall be adjusted every five years so that it continues to correspond to 0.50% of the reassessed value of estimated resources.

<sup>6</sup>[Provided that for the holder of composite licence selected pursuant the notice inviting tender issued after the date of commencement of the Mineral (Auction) Amendment Rules, 2024, the amount of performance security specified in sub-rules (2) and (3) shall not exceed five hundred crore rupees.]

- (4) <sup>1</sup>[The performance security shall be provided through bank guarantee in the format as specified in Schedule IV or through security deposit, <sup>8</sup>[or through insurance surety bond in the format as specified in Schedule IV-A] which may be invoked as per the provisions of –

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1. Mineral (Auction) Amendment Rules, 2017, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 1469 dated 30.11.2017.

3A. Mineral (Auction) Second Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 422(E) dated 18.06.2021.

6. Mineral (Auction) Amendment Rules, 2024, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 49 (E) dated 21.01.2024.

(i) the prospecting licence deed;

(ii) the Mine Development and Production Agreement;

- (ii) the Mining Lease Deed:

Provided that the State Government on being satisfied that the holder of Composite Licence has completed prospecting operations in accordance with sub-section (9) of section 11 of the Act but is unable to establish the existence of mineral contents even after making all possible efforts in accordance with <sup>3A</sup> [omitted] and the Minerals (Evidence of Mineral Contents) Rules, 2015, shall return the bank guarantee or the security deposit <sup>8</sup>[or insurance surety bond] provided by the holder of the Composite Licence as performance security.]

<sup>3A</sup> [Provided further that in case the holder of composite licence fails to complete prospecting operations in accordance with sub-section (9) of section 11, the performance security provided by it shall be forfeited.]

### 6[CHAPTER III A GRANT OF EXPLORATION LICENCE

#### 19A. Prerequisites for auction of exploration licence.—

- (1) The State Government may initiate auction process for grant of exploration licence with respect to an area within the State, in respect of the minerals specified in Seventh Schedule of the Act, in accordance with the provisions of the Act and this Chapter.
- (2) Any person intending to obtain exploration licence in respect of an area may submit a proposal to the State Government in the format specified in Schedule V along with available geoscience data for notification of the area for auction to grant an exploration licence.
- (3) In order to identify a block for auction for grant of exploration licence, including in any area proposed by any person under the sub-rule (2), the State Government shall constitute a committee consisting of the following members, namely:—
  - (a) Principal Secretary or Secretary in the Mining and Geology Department of State Government (by whatever name called) – Chairman;

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3A. Mineral (Auction) Second Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 422(E) dated 18.06.2021.

6. Mineral (Auction) Amendment Rules, 2024, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 49 (E) dated 21.01.2024.

8. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 71 (E) dated 29.01.2026.

- (b) Deputy Director General, State Unit of Geological Survey of India – Member;
- (c) Regional Controller of Mines of Indian Bureau of Mines – Member;

- (d) Regional Director of Atomic Minerals Directorate for Exploration and Research – Member;
  - (e) Director in the Mining and Geology Department of State Government (by whatever name called) – Member Secretary.
- (4) The committee shall identify and recommend to the State Government the blocks for auction for grant of exploration licence out of—
- (i) the area identified by the Geological Survey of India or the Directorates of Mining and Geology of State Government (by whatever name called) or any other agency of the Central Government or State Government;
  - (ii) the area proposed by any person under sub-rule (2); or
  - (iii) any other area, on the basis of geological information available in the National Geoscience Data Repository (NGDR) or in similar platforms or on the basis of the available geological reports or the like.
- (5) The committee shall reject or recommend the proposal received under sub-rule (2) within a period of sixty days of its receipt in the State Government with such modification as it deem fit.
- (6) The committee while identifying and recommending the block shall exclude from the block the areas covered under the following, namely:—
- (i) a subsisting mineral concession;
  - (ii) a notice inviting tender for auction of a mineral concession that has been issued and is under process;
  - (iii) a subsisting letter of intent issued for grant of a mineral concession pursuant to an auction process, or letter of intimation issued by the Department of Atomic Energy regarding the prospective lessee under rule 6 of the Atomic Minerals Concession Rules, 2016;
  - (iv) a mining lease or composite licence granted that has expired, lapsed, surrendered or terminated or notice inviting tender for auction of a mineral concession that has been terminated;
  - (v) exploration operations by an entity specified or notified under second proviso to section 4; or
  - (vi) notification for undertaking an operation issued under section 17 or notification for reservation issued under section 17A:

Provided that if the committee is of opinion that it is expedient in the interest of conservation of mineral resources or for the scientific and sustainable development and exploitation of minerals specified in the Seventh Schedule of the Act, it may include the area covered under clause (iv) in the block recommended for grant of exploration licence.

- (7) The State Government may reject or accept the recommendation of the committee with such modification as it deem fit and send the details of identified block for previous approval of the Central Government for auction under sub-section (4) of section 10BA, within sixty days of its receipt.
- (8) The Central Government shall grant or reject the previous approval within sixty days of its receipt and thereafter the State Government shall notify the identified block for conducting auction for grant of exploration licence within sixty days of receipt of the previous approval.
- (9) The State Government shall, prior to issuance of the notice inviting tender with respect to auction, identify and demarcate the area where an exploration licence is proposed to be granted through auction, specifying its boundary latitude and longitude coordinates.

**9B. Eligibility for exploration licence.—**

- (1) For the purpose of participating in the auction of exploration licence, an applicant shall meet the requirements as specified in section 5 and the terms and conditions of eligibility as specified in Schedule I.
- (2) The eligibility for participating in the auction shall be determined as per the terms and conditions of eligibility for participating in the auction and the Successful Bidder shall be decided solely on the basis of financial bids submitted by the eligible bidders.
- (3) A bidder shall submit only one bid in an auction of a mineral block and no affiliate of a bidder shall submit a bid in the same auction where such bidder has submitted bid.
- (4) In case a bidder submits more than one bid in an auction of a mineral block or an affiliate of a bidder submits bid in same auction where such bidder has submitted bid, the bids submitted by the bidder and its affiliate shall be rejected.

Explanation.— For the purposes of this rule,—

- (i) “Affiliate” with respect to a bidder shall mean a person who,
  - (a) controls such bidder,
  - (b) is controlled by such bidder,
  - (c) is under common control with such bidder,

- (d) is an associate company of the bidder, or
- (e) is a subsidiary company of such bidder;
- (ii) the expressions “associate company”, “control” and “subsidiary company” shall have the same meanings as assigned to them in the Companies Act, 2013 (18 of 2013).

**19C. Electronic auction for exploration licence.—**

- (1) An auction shall be conducted only through an online electronic auction platform.
- (2) The State Government may utilise any online electronic auction platform which meets the minimum technical and security requirements as specified in the Guidelines for compliance to Quality requirements of e-Procurement Systems issued by the Standardisation Testing and Quality Certification Directorate, Department of Information Technology, Ministry of Communications and Information Technology, Government of India.

**19D. Bidding parameters for exploration licence.—**

- (1) The State Government shall specify in the tender document the maximum percentage share (known as “ceiling price”) of the auction premium that shall be payable by the future lessee of mining lease which shall be auctioned pursuant to the prospecting operations undertaken under the exploration licence being auctioned:

Provided that the ceiling price shall not be less than twenty-five per cent.

- (2) The bidders shall quote, for the purpose of receiving payment from the State Government, a percentage share of the auction premium payable by such future lessee equal to or below the ceiling price and the bidder quoting the minimum percentage in accordance with the bidding process specified in rule 19E shall be the preferred bidder.

**19E. Bidding process for exploration licence.—**

- (1) Subject to the provisions of rule 19A, the State Government shall issue a notice inviting tender, including on their website, to commence the auction process and such notice shall contain brief particulars regarding the area under auction, including,—
  - (a) particulars of the area identified and demarcated, specifying its boundary latitude and longitude coordinates; and
  - (b) available geoscience data.
- (2) The tender document issued by the State Government shall contain,—

- (a) particulars of the area identified and demarcated, specifying its boundary latitude and longitude coordinates; and
  - (b) information on available geosciences data.
- (3) The bidders shall be provided a fixed period, as notified by the State Government, to study the tender document and such reports and the bidding process shall commence only on expiry of such period.
- (4) The auction shall be a descending reverse online electronic auction and shall comprise of attempts of auction with each attempt of auction consisting of a first round of auction and a second round of auction.
- (5) In the first round of auction, the bidders shall submit,—
  - (A) a technical bid comprising amongst others, documentary evidence to confirm eligibility as per the provisions of the Act and the rules made thereunder to participate in the auction, bid security and such other documents and payments as may be specified in the tender document; and
  - (B) an initial price offer which shall be a percentage share of the auction premium that shall be payable by the future lessee whose mining lease shall be auctioned pursuant to the prospecting operations undertaken under the exploration licence being auctioned.
- (6) The bid security shall be submitted in the form of a bank guarantee or through security deposit <sup>8</sup>[or through insurance surety bond] and shall be for an amount equivalent to,—
  - (a) fifty lakh rupees for area less than or equal to five hundred square kilometers; and
  - (b) one crore rupee for area more than five hundred square kilometers but less than or equal to one thousand square kilometers.

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8. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 71 (E) dated 29.01.2026.

- (7) Only those bidders who are found to be eligible in accordance with the terms and conditions of eligibility specified in rule 19B and whose initial price offer is equal to or less than the ceiling price, referred to as “technically qualified bidders”, shall be considered for the second round of auction.
- (8) The lowest initial price offer amongst the technically qualified bidders shall be the limiting price for the second round of online electronic auction.

- (9) The technically qualified bidders shall be ranked on the basis of the ascending initial price offer submitted by them and the technically qualified bidders holding the first fifty per cent. of the ranks (with any fraction rounded off to higher integer) or the top five technically qualified bidders, whichever is higher, shall qualify as qualified bidders for participating in the second round of electronic auction:

Provided that if the number of technically qualified bidders is between three and five, then all the technically qualified bidders shall be considered as qualified bidders:

Provided further that in the event of identical initial price offers being submitted by two or more technically qualified bidders, all such technically qualified bidders shall be assigned the same rank for the purposes of determination of qualified bidders and in such case, the aforementioned fifty per cent. shall stand enhanced to the extent of tie occurring within the first fifty per cent.

#### *Illustrations*

- (1) In the event there are a total of ten technically qualified bidders, and each technically qualified bidder submits different initial price offer, then the technically qualified bidders holding the first fifty per cent. of ranks shall be considered to be qualified bidders.
- (2) If three such technically qualified bidders submit the same initial price offer and are ranked in first fifty per cent. of the total number of ranks, then, all the three technically qualified bidders shall be considered to be qualified bidders and the total number of qualified bidders shall stand increased by two.
- (10) Where the total number of technically qualified bidders is three or more, the auction process shall proceed to the second round of auction which shall be held in the following manner, namely:—

- <sup>8</sup>(i) the qualified bidders may submit their final price offer which shall be a percentage share of the auction premium that shall be payable by the future lessee whose mining lease shall be auctioned pursuant to the prospecting operations undertaken under the exploration licence being auctioned and lower than the limiting price for the second round:

Provided that the final price offer may be revised by the qualified bidders till the conclusion of the auction as per the technical specifications of the auction platform;

- (ii) The auction process shall be annulled if none of the qualified bidders submits a final price offer on the online electronic auction platform;
- (iii)]<sup>8</sup> The qualified bidder who submits the lowest final price offer shall be declared as the “preferred bidder” immediately on

conclusion of the auction <sup>8</sup>[automatically by the online electronic auction platform for public view].

- (11) Where the total number of technically qualified bidders is less than three, then no technically qualified bidder shall be considered to be qualified bidder and the first attempt of auction shall be annulled.
- (12) On annulment of the first attempt of auction, the State Government may decide to— (a) commence the auction process de novo with a separate set of terms and conditions and ceiling price as it may deem fit and necessary; or (b) conduct the second attempt of auction.
- (13) In case the State Government decides to conduct the second attempt of auction as specified under sub-rule (12), the terms and conditions of the second attempt of auction shall remain the same as in the first annulled attempt of auction:

Provided that the lowest initial price offer of the technically qualified bidders if any in the first annulled attempt shall be the ceiling price in first round of the second attempt:

Provided further that the bidding shall continue to the second round even in case the number of technically qualified bidders is less than three, and even in case of a single technically qualified bidder.

**19F. Conduct of auction of exploration licence by Central Government.—**

- (1) The State Government shall intimate to the Central Government regarding the following, namely:—
  - (a) identification and recommendation of any area for auction of exploration licence by the committee under rule 19A within a period of fifteen days of receiving it;
  - (b) decision of the State Government on the recommendation of the committee under rule 19A within a period of fifteen days of such decision;

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8. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 71 (E) dated 29.01.2026.

- (c) publication of notice under sub-section (4) of section 10BA along with its copy, within fifteen days of publication of such notice;
- (d) issue of notice inviting tender for auction for mining lease under rule 19E along with its copy, within fifteen days of issue of such notice;
- (e) outcome of any auction for exploration licence, within fifteen days of completion of auction; and

- (f) termination, lapse or surrender of exploration licence or terminating or lapse of letter of intent for exploration licence, within fifteen days from such termination, lapse or surrender.
- (2) In case the Central Government decides to notify an area for auction or conduct auction for exploration licence under sub-section (5) or sub-section (7) of section 10BA, as the case may be, the provisions of these rules regarding auction in respect of exploration licence, as applicable to a State Government, shall mutatis mutandis be also applicable to the Central Government.
- (3) Upon successful completion of the auction, the Central Government shall intimate the details of the preferred bidder in the auction to the State Government and the State Government shall grant exploration licence for such area to such preferred bidder in accordance with rule 19G.

**19G. Grant of exploration licence.—**

- (1) The preferred bidder shall submit a performance security in the manner specified in sub-rule (1) of rule 19H within <sup>8</sup>[forty-five days] after being declared as preferred bidder, and upon receipt of such performance security, the State Government shall issue a letter of intent to the preferred bidder within <sup>8</sup>[forty-five days] of receipt of performance security:

<sup>8</sup>[Omitted]

<sup>8A</sup>[Provided that on and from the date specified by the Central Government, upon the receipt of performance security, the letter of intent shall automatically be issued through the online unified mining portal on behalf of the State Government.]

- (2) In case the preferred bidder fails to submit the performance security within the period or extended period specified in sub-rule (1), the State Government shall,—

- (a) forfeit the bid security of the preferred bidder; and

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8. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 71 (E) dated 29.01.2026.

8A. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 223 (E) dated 30.03.2026.

- (b) offer the bidder who had submitted second-lowest price offer in the second round of auction to meet the lowest final price offer and if the said bidder agree to the said offer in writing and submit the performance security within <sup>8</sup>[forty-five days] of receipt of offer, the State Government shall

declare the said bidder as the preferred bidder and issue letter of intent to him:

<sup>8</sup>[Omitted]

- (3) On receipt of the letter of intent the preferred bidder shall be considered to be the successful bidder upon fulfilment of the following conditions, namely:—
- (a) compliance with all the terms and conditions of eligibility;
  - (b) obtaining all consents, approvals, permits, no-objections and the like as may be required under applicable laws for commencement of reconnaissance or prospecting operations or both; and
  - (c) submitting the scheme of reconnaissance or prospecting or both in accordance with the Mineral Conservation and Development Rules, 2017.
- (4) Upon fulfilment of the conditions specified in sub-rule (3), the State Government shall grant an exploration licence to the successful bidder and such exploration licence shall be subject to the provisions of the Act and the rules made thereunder.

Provided that on expiry of a period of one year from the date of the letter of intent, no exploration licence deed shall be executed and the letter of intent shall be invalidated leading to annulment of the entire process of auction:

Provided further that the State Government may allow a further period of six months for execution of the exploration licence deed, if the reasons for delay were beyond the control of the preferred bidder.

- (5) The exploration licensee shall conduct geological exploration (reconnaissance or prospecting operations or both) of the area under the exploration licence so as to ascertain evidence of mineral contents and shall submit periodic reports in accordance with the Act and rules made thereunder, and all reports, studies and other documentation related to the geological exploration of the area under the exploration licence shall be submitted to the State Government with its copy to the Indian Bureau of Mines.

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8. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 71 (E) dated 29.01.2026.

- (6) Period of exploration licence shall be in accordance with sub-section (10) of section 10BA.
- (7) The exploration licensee may, at any time, surrender a part or the entire area to the State Government, subject to the conditions

specified in rule 9B of the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016:

Provided that after three years from the date of execution of the exploration licence, the exploration licensee may retain an area not exceeding twenty-five per cent. of the total area covered under that licence for the purpose of continuing reconnaissance or prospecting operations and shall surrender the remaining area after submitting a report to the State Government stating the reasons for retention of the area proposed to be retained by him and the boundaries of that area.

- (8) If an exploration licensee,—
- (a) fails to complete reconnaissance and prospecting operations within the period permitted under sub-section (10) of section 10BA; or fails to establish the existence of mineral contents as specified in rule 5 of the Minerals (Evidence of Mineral Contents) Rules, 2015 for grant of mining lease and submit the geological report within the period specified under sub-section (12) of section 10BA, such licensee shall not be eligible to receive any share out of the auction premium of the mining lease granted in the area covered by his exploration licence and the State Government may take any action as it deems fit, including imposition of penalty in form of appropriation of performance security;
  - (b) completes reconnaissance and prospecting operations within the period permitted under sub-section (10) of section 10BA and submits to the State Government and the Indian Bureau of Mines the result of the prospecting operations in the form of a geological report prepared in accordance with rule 5 of the Mineral (Evidence of Mineral Contents) Rules, 2015; identifying the area suitable for grant of a mining lease within the period specified under sub-section (12) of section 10BA, then such licensee shall be entitled to receive the percentage share in auction premium of the mining lease in accordance with these rules.
- (9) Exploration licensee shall prepare separate geological report for each block identified for grant mining lease under sub-rule (8).

**19H. Performance Security for exploration licence.—**

- (1) The amount of performance security shall be as follows, namely:—
- (a) one crore rupees for area less than or equal to five hundred square kilometers; and
  - (b) two crore rupee for area more than five hundred square kilometers but less than or equal to one thousand square kilometers.
- (2) The performance security shall be provided through bank guarantee in the format as specified in Schedule IV or through security

deposit, <sup>8</sup>[or through insurance surety bond in the format as specified in Schedule IV-A] which may be appropriated in the following events, namely:—

- (a) non-adherence to scheme of reconnaissance or prospecting, as the case may be;
  - (b) disclosure of exploration data to an unauthorized entity;
  - (c) non-disclosure of entire exploration data, reports or any other information related to exploration to State Government or any other Government organisation authorised to receive such information under the law;
  - (d) serious discrepancy in exploration data, reports or any other information related to exploration to State Government or any other Government organisation authorised to receive such information under the law; or
  - (e) contravention of the provision of these rules and the exploration licence deed.
- (3) The percentage of performance security to be appropriated in the events specified in sub-rule (2) shall be specified in the tender document or decided by the State Government as it deem fit.
- (4) In case of appropriation of performance security, the exploration licensee shall replenish or top-up the performance security within thirty days of such appropriation to keep the amount of performance security maintained at the amount specified under sub-rule (1).
- (5) The State Government on being satisfied that the holder of exploration licence has completed prospecting operations but is unable to establish the existence of mineral contents even after making all possible efforts in accordance with the Minerals (Evidence of Mineral Contents) Rules, 2015, shall return performance security.

**19I.** Payment to the holder of exploration licence.—

- (1) The State Government shall pay by electronic transfer to the exploration licensee the percentage share quoted by him in the auction of exploration licence out of the auction premium deposited in a month by the future lessee who has obtained mining lease in -

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8. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 71 (E) dated 29.01.2026.

-auction pursuant to the prospecting operations undertaken by the exploration licensee, within thirty days of deposit of auction premium.

- (2) The share of the exploration licencee shall be payable for entire period of fifty years of the mining lease or till exhaustion of resources, whichever is earlier.
- (3) In case of termination, lapse or surrender of mining lease, share of the exploration licencee shall be payable out of the auction premium deposited by the subsequent lessee of the area for the remaining period out of fifty years from the date of commencement of the first lease for the area or till exhaustion of resources, whichever is earlier.
- (4) The percentage share quoted by the exploration licencee shall be applicable for each mineral specified in the Seventh Schedule to the Act whose existence of mineral content has been established by him in accordance with the exploration norms required for grant of mining lease under Mineral (Evidence of Mineral Contents) Rules, 2015.
- (5) The share of the exploration licencee shall be payable out of auction premium of all the mining leases of the minerals specified in the Seventh Schedule to the Act, auctioned pursuant to the prospecting operations undertaken by the exploration licencee.
- (6) Exploration licencee shall not be entitled to receive share in respect of mineral not specified in the Seventh Schedule of the Act or whose existence of mineral content has not been established by him in accordance with the exploration norms required for grant of mining lease under Mineral (Evidence of Mineral Contents) Rules, 2015.
- (7) Notwithstanding anything contained in this rule, the exploration licencee and lessee may enter into agreement regarding payment of the share to exploration licencee, such as lump-sum payment in lieu of percentage share in auction premium; and upon such agreement,—
  - (a) the exploration licencee and lessee shall submit a copy of such agreement to State Government; and
  - (b) subsequent to coming into effect of the agreement, the auction premium payable by lessee to the State Government shall reduce by the percentage share of exploration licencee and the State Government shall not be liable pay any amount to exploration licencee.
- (8) After completion of prospecting operations and submission of geological report to the State Government in accordance with the rules, the exploration licencee may transfer his right to receive percentage share to any other entity, with the previous approval of the State Government and the State Government shall accept or reject previous approval within ninety days of receipt of such application.
- (9) In case an exploration licencee becomes lessee of a mining lease auctioned pursuant to the prospecting operations undertaken by

him, then such lessee shall deposit auction premium to the State Government after deducting the percentage share that would have been payable to the exploration licensee.

- (10) The State Government shall pay by electronic transfer to the exploration licensee a share in each installment of the upfront payment payable by the lessee under rule 11 in the following manner, namely:—
- (i) the share in each installment shall be equal to the percentage quoted by exploration licensee in the auction of exploration licence multiplied by the amount of installment of the upfront payment;
  - (ii) the share in each installment shall be paid to exploration licensee by the State Government within thirty days of deposit of the installment by the lessee; and
  - (iii) the payments to exploration licensee under this sub-rule shall be adjusted in full at the earliest against the share in auction premium payable to the exploration licensee under this rule.

**19J.** Auction for mining lease pursuant to exploration licence.—

- (1) The manner and terms and conditions for auction of a mining lease specified in Chapter II of these rules shall be applicable for auction of mining lease of a block identified pursuant to the prospecting operations undertaken under an exploration licence, subject to the conditions specified in this rule.
- (2) The State Government shall initiate the auction process for grant of mining lease under section 10B read with section 11 within six months from the date of receipt of the geological report from the exploration licensee in respect of the area where existence of mineral content is established as specified in rule 5 of the Mineral (Evidence of Mineral Contents) Rules, 2015 and shall select the preferred bidder for grant of such mining leases within one year from the date of receipt of the geological report:

Provided that in respect of any mineral specified in the Part D of the First Schedule to the Act, the auction process for grant of mining lease shall be conducted by the Central Government under section 11D and rule 9B.

- (3) In case the preferred bidder is not selected within the period so specified in sub-rule (2), the State Government shall pay to the exploration licensee an amount equivalent to one per cent. of the expenditure incurred towards reconnaissance or prospecting operations or ten lakh rupees per month, whichever is higher, till selection of the preferred bidder for the mining lease or till annulment of second attempt of auction due to insufficient number of bidders and such payment made to exploration licensee will be

adjusted with the amount payable to him out of auction premium to be deposited by the holder of mining lease.

Explanation.— For purposes of this sub-rule, the amount payable shall be determined on the basis of account submitted by the exploration licensee of the expenditure incurred towards reconnaissance or prospecting operations duly certified by a chartered accountant.

- (4) In case of termination, lapse or surrender of mining lease or termination or lapse of letter of intent for mining lease granted pursuant to exploration licence, the State Government shall give an opportunity to the exploration licensee to obtain mining lease in such area at the same auction premium discovered in the auction of the mining lease.
- (5) In case of refusal of the exploration licensee to obtain mining lease under sub-rule (5), the State Government or the Central Government, as the case may be, shall initiate auction process and select preferred bidder for such area within the period specified in sub-rule (2) and in case the preferred bidder is not selected within the said period, the State Government or the Central Government, as the case may be, shall pay to the exploration licence holder in accordance with sub-rule (3).
- (6) The exploration licensee shall not be prohibited from participating in the auction for the mining lease auctioned pursuant to the prospecting operations undertaken by him subject to fulfillment of the eligibility conditions under rule 6.
- (7) The tender document for auction of mining lease shall, in addition to the details specified in sub-rule (2) of rule 9, shall contain the following, namely:—
  - (a) raw data and bore-hole cores generated by such agency during prospecting operations and periodic report submitted by such agency in respect of the block shall be made available for inspection to bidders in the auction;
  - (b) the ownership structure or shareholding details of the exploration licensee.
- (8) A bidder participating in auction for mining lease shall declare to the State Government or the Central Government, as the case may be, if he is related party of the exploration licensee pursuant to whose prospecting operations the mining lease is being auctioned.
- (9) The State Government or the Central Government, as the case may be, shall intimate other bidders in auction regarding participation of exploration licensee or his related party in the auction.
- (10) In case the exploration licensee or his related party participate as bidder in the auction of mining lease being auctioned pursuant to his prospecting operations, then, in the second round of online

electronic auction, name of licensee or his related party and his final price offer (including revised final price offers during bidding) shall remain visible to all the qualified bidders.]<sup>6</sup>

#### **CHAPTER IV MISCELLANEOUS**

**20. Power to rectify apparent mistakes.—**

Any clerical or arithmetical mistake in any order passed by the Government or any authority or officer under these rules and any error arising therein due to accidental slip or omission, may be corrected by the Government, the concerned authority or officer, as the case may be:

Provided that no rectification order prejudicial to any person shall be passed unless such person has been given a reasonable opportunity of being heard.

**21. Special provisions relating to minerals specified in Part B of the First Schedule to the Act.—**

**(1) Notwithstanding anything contained in these rules—**

- (a) if the holder of a Composite Licence or mining lease discovers any mineral specified in Part B of the First Schedule to the Act and not specified in such licence or lease, in the area granted under such licence or lease, the discovery of such mineral shall be reported to the Director, Atomic Minerals Directorate for Exploration and Research, Hyderabad within sixty days from the date of discovery of such mineral;
- (b) <sup>7B</sup> [no atomic mineral as specified in Part B of the First Schedule where the grade of atomic mineral is equal to or above the notified threshold value shall be included in the mining lease granted in respect of minerals other than such atomic minerals;”.]
- (c) the quantities of any mineral specified in Part B of the First Schedule to the Act recovered incidental to such prospecting or mining operations shall be collected and stacked separately and a report to that effect shall be sent to the Director, Atomic Minerals Directorate for Exploration and Research, Hyderabad every month for such further action by the licensee or lessee as may be directed by the Atomic Minerals Directorate for Exploration and Research.

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7B. Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 776 (E) dated 22.10.2025.

- (2)** The licensee or lessee referred to in sub-rule (1) shall, within sixty days from the date of discovery of any mineral specified in Part B of the First Schedule to the Act, apply to the Secretary, Department of Atomic Energy, Mumbai, through the State Government, for

grant of a licence to handle such minerals under the provisions of the Atomic Energy Act, 1962 (33 of 1962) and the rules made thereunder and the Department of Atomic Energy shall intimate to the State Government regarding issue of the licence in this regard.

**22. Exploration Obligation.—**

The holder of a mining lease shall complete detailed exploration (G1 level exploration) and prepare a detailed feasibility study report conforming to Part IV and V of the Mineral (Evidence of Mineral Contents) Rules, 2015 over the entire area under the mining lease, within a period of five years from the date of commencement of such mining lease.

**23. <sup>3A</sup> [When day of completion of any requirement is a public holiday.—**

When the day of completion of any requirement under these rules is falling due on a public holiday, the day of completion shall be deemed to be due on the next successive working day.

Explanation.— The expression “public holiday” includes Saturday, Sunday and any other day declared to be a public holiday by the Central Government or the State Government, as the case may be.]

**<sup>6</sup> [24. Participation in auction for mining lease or composite licence by an agency covered under proviso to sub section of (1) of section 4.—**

- (1) The manner and terms and conditions for auction of a mining lease or composite licence specified in Chapter II and Chapter III, respectively of these rules shall be applicable for auction of a block identified pursuant to the prospecting operations undertaken by an agency covered under proviso to sub-section of (1) of section 4, subject to the conditions specified in this rule.
- (2) An agency covered under proviso to sub-section of (1) of section 4 who has undertaken exploration of a mineral <sup>8A</sup>[Omitted] shall not be prohibited from participating in the auction for the mining lease or composite licence auctioned pursuant to the prospecting operations undertaken by such agency for such mineral subject to fulfillment of the eligibility conditions under rule 6.
- (3) The tender document for auction of mining lease or composite licence shall, in addition to the details specified in sub-rule (2) of rule 9, shall contain the following, namely:—

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3A. Mineral (Auction) Second Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 422(E) dated 18.06.2021.

6. Mineral (Auction) Amendment Rules, 2024, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 49 (E) dated 21.01.2024.

8A. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 223 (E) dated 30.03.2026.

- (a) raw data and bore-hole cores generated by such agency during prospecting operations and periodic report submitted

by such agency in respect of the block shall be made available for inspection to bidders in the auction;

- (b) the ownership structure or shareholding details of such agency.
- (4) A bidder participating in auction for mining lease or composite licence shall declare to the State Government or the Central Government, as the case may be, if he has explored the block pursuant to whose prospecting operations the mining lease or composite licence is being auctioned or is related party of such agency.
- (5) The State Government or the Central Government, as the case may be, shall intimate other bidders in auction regarding participation of such agency or his related party in the auction.
- (6) In case such agency or his related party participate as bidder in the auction of mining lease <sup>8A</sup>[or composite licence] being auctioned pursuant to his prospecting operations, then, in the second round of online electronic auction, name of such agency or his related party and his final price offer (including revised final price offers during bidding) shall remain visible to all the qualified bidders.”]

<sup>8A</sup>**[25. Unified mining portal:**

- (1) The Central Government, in consultation with the State Government, shall prepare an online unified mining portal to carry out various purposes of these rules for implementation and compliance under these rules.
- (2) On and from the date specified by the Central Government, the provisions of these rules shall be carried out by the Central Government or State Government only through the said portal:

Provided that the Central Government may specify different dates for implementation of different modules of such portal.]

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8A. Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 223 (E) dated 30.03.2026.

<b><sup>1</sup> [SCHEDULE I]</b>				
<b>Terms and conditions of eligibility</b>				
[See rules 6(1) and 6(2)]				
1.	The following net worth requirements shall be applicable for an auction of mining lease depending on the Value of Estimated Resources, namely: –			
	<sup>3A</sup> [Provided that the net worth requirement shall not exceed two hundred crore rupees.]			
	(a)	If the Value of Estimated Resources is equal to or more than one thousand crore rupees, the applicant, including an individual, shall have a net worth more than 2 per cent. of Value of Estimated Resources.		
	(b)	If the Value of Estimated Resources is less than one thousand crore rupees but more than one hundred crore rupees, the applicant, including an individual, shall have a net worth more than 1 per cent. of Value of Estimated Resources.		
	(c)	If the Value of Estimated Resources is less than or equal to one hundred crore rupees, the applicant, including an individual, shall have a net worth more than 0.5 per cent. of Value of Estimated Resources.		
2.	In case of auction of Composite Licence, the applicant shall have a net worth of more than 1 per cent. of the Value of Estimated Resources and where the value of Estimated Resources is equal or less than one hundred crore rupees, the applicant must have a net worth more than 0.5 per cent. of Value of Estimated Resources.			
	<sup>3A</sup> [Provided that the net worth requirement shall not exceed one hundred crore rupees:			
	Provided further that for the mineral block having such type of deposit as specified in serial numbers I, II and III of Part III of Schedule I to the Minerals (Evidence of Mineral Contents) Rules, 2015 (except those covered under Schedule II of the said rules), whose estimated quantity of mineral resources is not possible to be assessed for calculating the value of estimated resources under clause (m) of sub-rule (1) of rule 2, but the mining potentiality			

	of the block has been identified based on the existing geoscience data, the applicant shall have a net worth more than or equal to twenty-five crore rupees.]
<sup>6</sup> [3.	In the auction of exploration licence, the applicant shall have a net worth of more than or equal to twenty-five crore rupee.”.]
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1.	Mineral (Auction) Amendment Rules, 2017, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 1469 dated 30.11.2017.
3A.	Mineral (Auction) Second Amendment Rules, 2021, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 422(E) dated 18.06.2021.
6.	Mineral (Auction) Amendment Rules, 2024, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 49 (E) dated 21.01.2024.
	Explanation.–
	(1) In case <sup>7</sup> [an applicant is a subsidiary company, the net worth of the holding company of such subsidiary company may also be considered and the holding company may be incorporated in India or outside India] :
	Provided that, in such case, the applicant shall continue to be a subsidiary of such holding company until such time the applicant meets the aforementioned net worth threshold.
	(2) In case of a company, the net worth shall be the sum of paid up share capital and the free reserves as per the audited balance sheet of the financial year ended immediately preceding the date of issuance of notice inviting tender.
	(3) In case the notice inviting tender is issued between 1st April to 30th September (both days inclusive) of a year, the audited balance sheet of the financial year before the immediately preceding financial year, from the date of issuance of notice inviting tender, may be submitted by the bidder, if the audited balance sheet of the immediately preceding financial year is not available.
	(4) In case of an individual, the net worth shall be the closing cash balance on the last date for submission of application, and such amount may include amount in savings bank accounts in Scheduled Bank or Post Office, free and un-encumbered fixed deposits in Scheduled Banks, Post Office, Listed Companies or Government organisation or Public Sector Undertakings of a State and the Central Government, Kisan Vikas Patra, National Saving certificate, Bonds, Shares of Listed Companies, Listed Mutual Funds, Unit Linked Insurance Plan, Public Provident Fund, Surrender Value of Life Insurance policies, and un-encumbered immovable property in the name of Applicant.
<sup>3A</sup> [SCHEDULE II]	
<b>INDICATIVE LIST OF SPECIFIED END USE</b>	
[See rule 6(3)]	





					and the Bank shall not be relieved from its liability by reason of any such act or omission on the part of the State or any indulgence by the State to the Successful Bidder or other thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of relieving the Bank of its obligations under this Guarantee.
5.					Any payment made hereunder shall be made free and clear of and without deduction for, or on account of, any present or future taxes, levies, imposts, duties, charges, fees, commissions, deductions or withholdings of any nature whatsoever.
6.					The Bank agrees that State at its option shall be entitled to enforce this Guarantee against the Bank, as a principal debtor in the first instance without proceeding at the first instance against the Successful Bidder.
7.					The Bank further agree that the guarantee herein contained shall remain in full force and effect during the period that specified in the Agreement and that it shall continue to be enforceable till all the obligations of the Successful Bidder under or by virtue of the said Agreement with respect to the Performance Security have been fully paid and its claims satisfied or discharged or till the State certifies that the terms and conditions of the Agreement with respect to the Performance Security have been fully and properly carried out by the Successful Bidder and accordingly discharges this guarantee. Notwithstanding anything contained herein, unless a demand or claim under this guarantee is made on the Bank in writing on or before the Expiry Date the Bank shall be discharged from all liability under this guarantee thereafter.
8.					The payment so made by the Bank under this Guarantee shall be a valid discharge of Bank's liability for payment thereunder and the State shall have no claim against the Bank for making such payment.
9.					This Guarantee is subject to the laws of India. Any suit, action, or other proceedings arising out of this Guarantee or the subject matter hereof shall be subject to the exclusive jurisdiction of courts at the State of [respective State].
10.					The Bank has the power to issue this Guarantee in favour of the State. This guarantee will not be discharged due to the change in the constitution of the Bank
11.					The Bank undertakes not to revoke this Guarantee during its currency except with the previous consent of the State in writing.
12.					The State may, with prior intimation to the Bank, assign the right under this Guarantee to any other departments, ministries or any governmental agencies, which may act in the name of the Governor. Save as provided in this Clause 12, this Guarantee shall not be assignable or transferable.
13.					Notwithstanding anything contained herein,
	a.				the liability of the bank under this bank guarantee shall not exceed the Guarantee Amount.

	b.	This bank guarantee shall be valid up to the Expiry Date.			
14.	The Bank is liable to pay the guaranteed amount or any part thereof under this bank guarantee only and only if the State serves upon the Bank a written claim or demand on or before the Expiry Date.				
Dated the [day] day of [month] [year] for the Bank.					
In witness whereof the Bank, through its authorized officer, has set its hand and stamp.					
-----					
(Signature)					
-----					
(Name and Designation)					
(Bank Stamp)					
<b><sup>8</sup>[SCHEDULE III-A</b>					
<b>Format of Insurance Surety Bond</b>					
[See rule 12(2)]					
[Reference number of the Surety Insurer]				[Date]	
To					
The Governor of [Name of State]					
[address]					
WHEREAS					
A.	[Name of the Preferred Bidder/Principal Debtor] incorporated in India under the Companies Act, [1956/2013] with corporate identity number [CIN of the Preferred Bidder/Principal Debtor], whose registered office is at [address of registered office], India and principal place of business is at [address of principal place of business, if different from registered office] OR [Name of individual] who is citizen of India, having income tax permanent account number [number], residing at [address] OR [partnership firm/association of individuals], all members of whom are Indian citizens and residents of India whose principal place of business is at [address of principal place of business] (the "Preferred Bidder/Principal Debtor") is required to provide an unconditional and irrevocable guarantee in the form of insurance surety bond for an amount equal to INR [figures] (Indian Rupees [words]) as a performance security valid until [date of expiry of Insurance Surety Bond] ("Expiry Date").}				
B.	The Insurance Surety Bond for performance security is required to be provided to The Governor of [Name of State], (the "State") for discharge of certain obligations under the Tender Document dated, [date] with respect to auction of [particulars of auction] and the Mine Development and Production Agreement to be executed between the State and the Preferred Bidder/Principal Debtor (collectively the "Agreement").				

C.	We, [name of the insurance company] through our branch at [name] (the “Surety Insurer”) at the request of the Preferred Bidder/Principal Debtor do hereby undertake to pay to the State an amount not exceeding INR [figures] (Indian Rupees [words]) (“Surety Bond Amount”) to secure the obligations of the Preferred Bidder/Principal Debtor under the Agreement on demand from the State on the terms and conditions herein contained herein.			
NOW THEREFORE, the Surety Insurer hereby issues in favour of the State this irrevocable and unconditional guarantee in the form of insurance surety bond on behalf of the Preferred Bidder/Principal Debtor and affirms as follows, namely:—				
1.	This Insurance Surety Bond is being executed by the Surety Insurer in terms of the IRDAI (Surety Insurance Contract) Guidelines, 2022, issued by the Insurance Regulatory and Development Authority of India (IRDAI).			
2.	The Surety Insurer for the purpose hereof unconditionally and irrevocably undertakes to pay to the State without any demur, reservation, caveat, protest or recourse, immediately on receipt of first written demand from the State, a sum or sums (by way of one or more claims) not exceeding the Surety Bond Amount in the aggregate without the State needing to prove or to show to the Surety Insurer grounds or reasons for such demand for the sum specified therein and notwithstanding any dispute or difference between the State and Preferred Bidder/Principal Debtor on any matter whatsoever. The Surety Insurer undertakes to pay to the State any money so demanded notwithstanding any dispute or disputes raised by the Preferred Bidder/Principal Debtor in any suit or proceeding pending before any court or tribunal relating thereto the Surety Insurer’s liability under this present being absolute and unequivocal.			
3.	The Surety Insurer acknowledges that any such demand by the State of the amounts payable by the Surety Insurer to the State shall be final, binding and conclusive evidence in respect of the amounts payable by Preferred Bidder/Principal Debtor to the State under the Agreement.			
4.	The Surety Insurer hereby waives the necessity for the State from demanding the aforesaid amount or any part thereof from the Preferred Bidder/Principal Debtor and also waives any right that the Surety Insurer may have of first requiring the State to pursue its legal remedies against the Preferred Bidder/Principal Debtor, before presenting any written demand to the Surety Insurer for payment under this Surety Bond.			
5.	The Surety Insurer further unconditionally agrees with the State that the State shall be at liberty, without the Surety Insurer’s consent and without affecting in any manner the Surety Insurer’s obligation under this Surety Bond, from time to time to: —			
	(i)	vary and/or modify and of the terms and conditions of the Agreement;		
	(ii)	extend and / or postpone the time for performance of the obligations of the Preferred Bidder/Principal Debtor under the Agreement; or		

	(iii)	forbear or enforce any of the rights exercisable by the State against the Preferred Bidder/Principal Debtor under the terms and conditions of the Agreement,
		and the Surety Insurer shall not be relieved from its liability by reason of any such act or omission on the part of the State or any indulgence by the State to the Preferred Bidder/Principal Debtor or other thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of relieving the Surety Insurer of its obligations under this Surety Bond.
6.		Any payment made hereunder shall be made free and clear of and without deduction for, or on account of, any present or future taxes, levies, imposts, duties, charges, fees, commissions, deductions or withholdings of any nature whatsoever.
7.		The Surety Insurer agrees that State at its option shall be entitled to enforce this Surety Bond against the Surety Insurer, as a principal debtor in the first instance without proceeding at the first instance against the Preferred Bidder/Principal Debtor.
8.		The Surety Insurer further agree that the Surety Bond herein contained shall remain in full force and effect during the period that specified in the Agreement and that it shall continue to be enforceable till all the obligations of the Preferred Bidder/Principal Debtor under or by virtue of the said Agreement with respect to the Performance Security have been fully paid and its claims satisfied or discharged or till the State certifies that the terms and conditions of the Agreement with respect to the Performance Security have been fully and properly carried out by the Preferred Bidder/Principal Debtor and accordingly discharges this Surety Bond. Notwithstanding anything contained herein, unless a demand or claim under this Surety Bond is made on the Surety Insurer in writing on or before the Expiry Date the Surety Insurer shall be discharged from all liability under this Surety Bond thereafter.
9.		The payment so made by the Surety Insurer under this Surety Bond shall be a valid discharge of Surety Insurer's liability for payment thereunder and the State shall have no claim against the Surety Insurer for making such payment.
10.		This Surety Bond is subject to the laws of India. Any suit, action, or other proceedings arising out of this Surety Bond or the subject matter hereof shall be subject to the exclusive jurisdiction of courts at the State of [respective State].
11.		The Surety Insurer has the power to issue this Surety Bond in favour of the State. This Surety Bond will not be discharged due to the change in the constitution of the Surety Insurer.
12.		The Surety Insurer undertakes not to revoke this Surety Bond during its currency except with the previous consent of the State in writing.
13.		The State may, with prior intimation to the Surety Insurer assign the right under this Surety Bond to any other departments, ministries or any governmental agencies, which may act in the name of the Governor. Save as provided in this Clause, this Surety Bond shall not be assignable or transferable.

14.	Notwithstanding anything contained herein—				
	(a)	the liability of the Surety Insurer under this Surety Bond shall not exceed the Bond Amount;			
	(b)	this Surety Bond shall be valid up to the expiry date.			
15.	The Surety Insurer is liable to pay the surety bond amount or any part thereof under this Surety Bond only and only if the State serves upon the Surety Insurer a written claim or demand on or before the expiry date.				
Dated the [day] day of [month] [year] for the Surety Insurer.					
In witness whereof the Surety Insurer, through its authorized officer, has set its hand and stamp.					
.....					
(Signature)					
.....					
(Name and Designation)					
(Surety Insurer Stamp). <sup>8</sup>					
<b><sup>1</sup> [SCHEDULE IV</b>					
<b><sup>6</sup> [FORMAT FOR PERFORMANCE SECURITY FOR</b>					
<b>COMPOSITE LICENCE AND EXPLORATION LICENCE</b>					
[see rule 19(4) and rule 19H(2)].]					
[Reference number of the bank]					
[Date]					
To					
The Governor of [Name of State]					
[address]					
WHEREAS					
A.	[Name of the Preferred Bidder] incorporated in India under the Companies Act, [1956/2013] with corporate identity number [CIN of the Preferred Bidder], whose registered office is at [address of registered office], India and principal place of business is at [address of principal place of business, if different from registered office] OR [Name of individual] who is citizen of India, having income tax permanent account number [number], residing at [address] OR [partnership firm/association of individuals], all members of whom are Indian citizens and residents of India whose principal place of business is at [address of principal place of business] (the “Preferred Bidder”) is required to provide an unconditional and irrevocable bank guarantee for an amount equal to INR [figures] (Indian Rupees [words]) as a performance				

	security valid for an initial period of [●]([●]) years from the date hereof (“Expiry Date”).
1.	Mineral (Auction) Amendment Rules, 2017, vide G.O.I.: Extraordinary, Part II - Section 3 (i), G.S.R. No. 1469 dated 30.11.2017.
6.	Mineral (Auction) Amendment Rules, 2024, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 49 (E) dated 21.01.2024.
8.	Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 71 (E) dated 29.01.2026.
C.	The Performance Security is required to be provided to the Governor of [Name of State], (the “State”) for discharge of certain obligations under the Tender Document dated, [date] with respect to auction of [particulars of auction] AND the deed for grant of a prospecting licence to be executed between the State and the Successful Bidder AND the Mine Development and Production Agreement to be executed between the State and the Successful Bidder (collectively the “Agreement”).
D.	We, [name of the bank] (the “Bank”) at the request of the Preferred Bidder or Successful Bidder do hereby undertake to pay to the State an amount not exceeding INR [figures] (Indian Rupees [words]) (“Guarantee Amount”) to secure the obligations of the Preferred Bidder or Successful Bidder under the Agreement on demand from the State on the terms and conditions herein contained herein.
NOW, THEREFORE, the Bank hereby issues in favour of the State this irrevocable and unconditional payment bank guarantee (the “Guarantee”) on behalf of the Preferred Bidder or Successful Bidder in the Guarantee Amount:	
1.	The Bank for the purpose hereof unconditionally and irrevocably undertakes to pay to the State without any demur, reservation, caveat, protest or recourse, immediately on receipt of first written demand from the State, a sum or sums (by way of one or more claims) not exceeding the Guarantee Amount in the aggregate without the State needing to prove or to show to the Bank grounds or reasons for such demand for the sum specified therein and notwithstanding any dispute or difference between the State and Preferred Bidder or Successful Bidder on any matter whatsoever. The Bank undertakes to pay to the State any money so demanded notwithstanding any dispute or disputes raised by the Preferred Bidder or Successful Bidder in any suit or proceeding pending before any court or tribunal relating thereto the Bank’s liability under this present being absolute and unequivocal.
2.	The Bank acknowledges that any such demand by the State of the amounts payable by the Bank to the State shall be final, binding and conclusive evidence in respect of the amounts payable by Preferred Bidder or Successful Bidder to the State under the Agreement.
3.	The Bank hereby waives the necessity for the State from demanding the aforesaid amount or any part thereof from the Preferred Bidder or Successful Bidder and also waives any right that the Bank may have of first requiring the State to pursue its legal remedies against the Preferred Bidder or Successful

	Bidder, before presenting any written demand to the Bank for payment under this Guarantee.
4.	The Bank further unconditionally agrees with the State that the State shall be at liberty, without the Bank's consent and without affecting in any manner the Bank's obligation under this Guarantee, from time to time to:
(i)	vary and/or modify and of the terms and conditions of the Agreement;
(ii)	extend and / or postpone the time for performance of the obligations of the Preferred Bidder or Successful Bidder under the Agreement, or
(iii)	forbear or enforce any of the rights exercisable by the State against the Preferred Bidder or Successful Bidder under the terms and conditions of the Agreement, and the Bank shall not be relieved from its liability by reason of any such act or omission on the part of the State or any indulgence by the State to the Preferred Bidder or Successful Bidder or other thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of relieving the Bank of its obligations under this Guarantee.
5.	Any payment made hereunder shall be made free and clear of and without deduction for, or on account of, any present or future taxes, levies, imposts, duties, charges, fees, commissions, deductions or withholdings of any nature whatsoever.
6.	The Bank agrees that State at its option shall be entitled to enforce this Guarantee against the Bank, as a principal debtor in the first instance without proceeding at the first instance against the Preferred Bidder or Successful Bidder.
7.	The Bank further agrees that this bank guarantee and the guarantee obligations herein contained shall remain in full force and effect and shall continue to be enforceable till: (i) all the obligations of the Preferred Bidder or Successful Bidder under or by virtue of the said Agreement with respect to the Performance Security have been fully paid and its claims satisfied or discharged; or (ii) till the State certifies that the terms and conditions of the Agreement with respect to the Performance Security have been fully and properly carried out by the Preferred Bidder or Successful Bidder and accordingly discharges this guarantee; or (iii) on provision of a revised performance security under sub-rule (2) of rule 19 of the Mineral (Auction) Rules, 2015 whichever is later. Notwithstanding anything contained herein, unless a demand or claim under this guarantee is made on the Bank in writing on or before the Expiry Date the Bank shall be discharged from all liability under this guarantee thereafter.
8.	The payment so made by the Bank under this Guarantee shall be a valid discharge of Bank's liability for payment thereunder and the State shall have no claim against the Bank for making such payment.

9.	This Guarantee is subject to the laws of India. Any suit, action, or other proceedings arising out of this Guarantee or the subject matter hereof shall be subject to the exclusive jurisdiction of courts at the State of [respective State].				
10.	The Bank has the power to issue this Guarantee in favour of the State. This guarantee will not be discharged due to the change in the constitution of the Bank				
11.	The Bank undertakes not to revoke this Guarantee during its currency except with the previous consent of the State in writing.				
12.	The State may, with prior intimation to the Bank, assign the right under this Guarantee to any other departments, ministries or any governmental agencies, which may act in the name of the Governor. Save as provided in this Clause 12, this Guarantee shall not be assignable or transferable.				
13.	Notwithstanding anything contained herein,				
	a.	the liability of the bank under this bank guarantee shall not exceed the Guarantee Amount; and			
	b.	this bank guarantee shall be valid up to the Expiry Date.			
15.	The Bank is liable to pay the Guaranteed Amount or any part thereof under this bank guarantee only and only if the State serves upon the Bank a written claim or demand on or before the Expiry Date.				
Dated the [day] day of [month] [year] for the Bank.					
In witness whereof the Bank, through its authorized officer, has set its hand and stamp.					
.....					
(Signature)					
.....					
(Name and Designation)					
(Bank Stamp)					
<b><sup>8</sup>[SCHEDULE IV-A</b>					
<b>FORMAT FOR INSURANCE SURETY BOND FOR COMPOSITE LICENCE AND</b>					
<b>EXPLORATION LICENCE</b>					
[See rules 19 (4) and 19H (2)]					
[Reference number of the Surety Insurer]				[Date]	
To					
The Governor of [Name of State]					
[address]					

WHEREAS				
A.	[Name of the Preferred Bidder] incorporated in India under the Companies Act, [1956/2013] with corporate identity number [CIN of the Preferred Bidder/Principal Debtor], whose registered office is at [address of registered office], India and principal place of business is at [address of principal place of business, if different from registered office] OR [Name of individual] who is citizen of India, having income tax permanent account number [number], residing at [address] OR [partnership firm/association of individuals], all members of whom are Indian citizens and residents of India whose principal place of business is at [address of principal place of business] (the “Preferred Bidder/Principal Debtor”) is required to provide an unconditional and irrevocable guarantee in the form of insurance surety bond for an amount equal to INR [figures] (Indian Rupees [words]) as a performance security valid for an initial period of [●] ([●]) years from the date hereof (“Expiry Date”).			
B.	The Performance Security is required to be provided to the Governor of [Name of State], (the “State”) for discharge of certain obligations under the Tender Document dated, [date] with respect to auction of [particulars of auction] AND the deed for grant of a prospecting licence to be executed between the State and the Preferred Bidder/Principal Debtor AND the Mine Development and Production Agreement to be executed between the State and the Preferred Bidder/Principal Debtor (collectively the “Agreement”).			
C.	We, [name of the insurance company] through our branch at [name] (the “Surety Insurer”) at the request of the Preferred Bidder/Principal Debtor do hereby undertake to pay to the State an amount not exceeding INR [figures] (Indian Rupees [words]) (“Surety Bond Amount”) to secure the obligations of the Preferred Bidder/Principal Debtor under the Agreement on demand from the State on the terms and conditions herein contained herein.			
NOW THEREFORE, the Surety Insurer hereby issues in favour of the State this irrevocable and unconditional guarantee in the form of insurance surety bond on behalf of the Preferred Bidder/Principal Debtor and affirms as follows, namely:—				
1.	This Insurance Surety Bond is being executed by the Surety Insurer in terms of the IRDAI (Surety Insurance Contract) Guidelines, 2022, issued by the Insurance Regulatory and Development Authority of India (IRDAI).			
2.	The Surety Insurer for the purpose hereof unconditionally and irrevocably undertakes to pay to the State without any demur, reservation, caveat, protest or recourse, immediately on receipt of first written demand from the State, a sum or sums (by way of one or more claims) not exceeding the Surety Bond Amount in the aggregate without the State needing to prove or to show to the Surety Insurer grounds or reasons for such demand for the sum specified therein and notwithstanding any dispute or difference between the State and Preferred Bidder/Principal Debtor on any matter whatsoever. The Surety Insurer undertakes to pay to the State any money so demanded notwithstanding any dispute or disputes raised by the Preferred Bidder/Principal Debtor in any suit or proceeding pending before any court or tribunal relating thereto the Surety Insurer’s liability under this present being absolute and unequivocal.			

3.	The Surety Insurer acknowledges that any such demand by the State of the amounts payable by the Surety Insurer to the State shall be final, binding and conclusive evidence in respect of the amounts payable by Preferred Bidder/Principal Debtor to the State under the Agreement.
4.	The Surety Insurer hereby waives the necessity for the State from demanding the aforesaid amount or any part thereof from the Preferred Bidder/Principal Debtor and also waives any right that the Surety Insurer may have of first requiring the State to pursue its legal remedies against the Preferred Bidder/Principal Debtor, before presenting any written demand to the Surety Insurer for payment under this Surety Bond.
5.	The Surety Insurer further unconditionally agrees with the State that the State shall be at liberty, without the Surety Insurer's consent and without affecting in any manner the Surety Insurer's obligation under this Surety Bond, from time to time to:—
	(i) vary and/or modify and of the terms and conditions of the Agreement;
	(ii) extend and / or postpone the time for performance of the obligations of the Preferred Bidder/Principal Debtor under the Agreement; or
	(iii) forbear or enforce any of the rights exercisable by the State against the Preferred Bidder/Principal Debtor under the terms and conditions of the Agreement,
	and the Surety Insurer shall not be relieved from its liability by reason of any such act or omission on the part of the State or any indulgence by the State to the Preferred Bidder/Principal Debtor or other thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of relieving the Surety Insurer of its obligations under this Surety Bond.
6.	Any payment made hereunder shall be made free and clear of and without deduction for, or on account of, any present or future taxes, levies, imposts, duties, charges, fees, commissions, deductions or withholdings of any nature whatsoever.
7.	The Surety Insurer agrees that State at its option shall be entitled to enforce this Surety Bond against the Surety Insurer, as a principal debtor in the first instance without proceeding at the first instance against the Preferred Bidder/Principal Debtor.
8.	The Surety Insurer further agrees that this Surety Bond and the guarantee obligations herein contained shall remain in full force and effect and shall continue to be enforceable till: (i) all the obligations of the Preferred Bidder/Principal Debtor under or by virtue of the said Agreement with respect to the Performance Security have been fully paid and its claims satisfied or discharged; or (ii) till the State certifies that the terms and conditions of the Agreement with respect to the Performance Security have been fully and properly carried out by the Preferred Bidder/Principal Debtor and accordingly discharges this Surety Bond; or (iii) on provision of a revised performance security under sub-rule (2) of rule 19 of the Mineral (Auction) Rules, 2015 whichever is later. Notwithstanding anything contained herein, unless a

	demand or claim under this Surety Bond is made on the Surety Insurer in writing on or before the Expiry Date the Surety Insurer shall be discharged from all liability under this Surety Bond thereafter.
9.	The payment so made by the Surety Insurer under this Surety Bond shall be a valid discharge of Surety Insurer's liability for payment thereunder and the State shall have no claim against the Surety Insurer for making such payment.
10.	This Surety Bond is subject to the laws of India. Any suit, action, or other proceedings arising out of this Surety Bond or the subject matter hereof shall be subject to the exclusive jurisdiction of courts at the State of [respective State].
11.	The Surety Insurer has the power to issue this Surety Bond in favour of the State. This Surety Bond will not be discharged due to the change in the constitution of the Surety Insurer.
12.	The Surety Insurer undertakes not to revoke this Surety Bond during its currency except with the previous consent of the State in writing.
13.	The State may, with prior intimation to the Surety Insurer, assign the right under this Surety Bond to any other departments, ministries or any governmental agencies, which may act in the name of the Governor. Save as provided in this Clause, this Surety Bond shall not be assignable or transferable.
14.	Notwithstanding anything contained herein,
	(a) the liability of the Surety Insurer under this Surety Bond shall not exceed the Bond Amount; and
	(b) this Surety Bond shall be valid up to the expiry date.
15.	The Surety Insurer is liable to pay the surety bond amount or any part thereof under this Surety Bond only and only if the State serves upon the Surety Insurer a written claim or demand on or before the expiry date.
Dated the [day] day of [month] [year] for the Surety Insurer.	
In witness whereof the Surety Insurer, through its authorised officer, has set its hand and stamp.	
.....	
(Signature)	
.....	
(Name and Designation)	
(Surety Insurer Stamp)] <sup>8</sup> .	

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8.	Mineral (Auction) Amendment Rules, 2026, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 71 (E) dated 29.01.2026.				
<b>6 [SCHEDULE V</b>					
<b>[see rule 19A(2)]</b>					
<b>FORMAT FOR SUBMITTING PROPOSAL FOR AUCTION OF AN AREA FOR GRANT OF EXPLORATION LICENCE</b>					
To,					
The Director, Mining and Geology Department,					
Government of [mention name of State Government]					
Madam/ Sir,					
Under the provision of sub-rule (2) of rule 19A of the Mineral (Auction) Rules, 2015, I/we am/are submitting the following details and other particulars of the area for consideration of the State Government to auction exploration licence in respect of the area. It is submitted that I/we intend to participate in auction of exploration licence in respect of the said area.					
<b>1.</b>	<b>Name and Address of the Applicant</b>				
	(a)	Name:			
	(b)	Postal address:			
	(c)	Telephone Number (Office):			
	(d)	Fax number (Office):			
	(e)	Mobile No.:			
	(f)	Telephone Number (Residence):			
	(g)	E-Mail address:			
<b>2.</b>	<b>Location Details of the Area Proposed for Auction</b>				
	(a)	State			
	(b)	District (s)			
	(c)	Nearby Village(s)			
	(d)	Survey of India (SOI) Toposheet (s) No.			
	(e)	Area in sq. km			
	(f)	Boundary coordinates of the proposed block (in Decimal degree)			
<b>3.</b>	<b>Mineral Potential of the Area</b>				



		After 12 months from the completion of Milestone – 2	After 12 months from the completion of Milestone – 2
6.	Mineral (Auction) Amendment Rules, 2024, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 49 (E) dated 21.01.2024.		
7A.	Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 764 (E) dated 17.10.2025.		
<b>7A [SCHEDULE VII</b>			
[see rule 18A (1), (2), (3), (5), (9)]			
<b>TIMELINES FOR OPERATIONALISATION OF MINERAL BLOCK AUCTIONED FOR COMPOSITE LICENCE</b>			
<b>S. No.</b>	<b>Activity</b>	<b>Timeline for completion of Milestone</b>	<b>Percentage of performance security to be appropriated for delay in completion of Milestone</b>
(1)	(2)	(3)	(4)
<b>Milestone – 1</b>			
1.	Execution of composite licence	Within 12 months from letter of intent for composite licence	No appropriation
		After 12 months from issue of letter of intent for composite licence	1% for delay of each month or a part of month
<b>Milestone – 2</b>			
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	No appropriation
		After 36 months from the completion of Milestone-1	1% for delay of each month or a part of month
<b>Milestone – 3</b>			
3.	Approval of mining plan	Within 6 months from issue of letter of intent for mining lease	No appropriation
		After 6 months from issue of letter of intent for mining lease	1% for delay of each month or a part of month
<b>Milestone – 4</b>			
4.	Grant of environment clearance	Within 18 months from the completion of Milestone-3	No appropriation

		After 18 months from the completion of Milestone-3	1% for delay of each month or a part of month
<b>Milestone – 5</b>			
5.	Execution of mining lease	Within 12 months from the completion of Milestone-4	No appropriation
		After 12 months from the completion of Milestone-4	1% for delay of each month or a part of month”.]
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7A.	Mineral (Auction) Amendment Rules, 2025, vide G.O.I.: Extraordinary, Part II - Section 3(i), G.S.R. No. 764 (E) dated 17.10.2025.		