



Bill Summary

The Mines and Minerals (Development and Regulation) Bill, 2011

- The Mines and Minerals (Development and Regulation) Bill, 2011 was introduced in the Lok Sabha on December 12, 2011. It seeks to consolidate and amend the law relating to the scientific development and regulation of mines and minerals.
- Reconnaissance, prospecting, exploration and mining activities can only be undertaken after obtaining a reconnaissance, exploration or prospecting license or mining lease.
- Gram Sabhas, District Councils or District Panchayats must be consulted before the notification of an area for mineral concessions.
- The central government may invite competitive offers for grant of mineral concession in case of coal minerals, and state governments may invite competitive offers in case of other minerals. State governments may give preference to a cooperative of Scheduled Tribes in the grant of mineral concession in a Scheduled or tribal area.
- Firms must prepare a mining plan in order to be allowed to carry out mining operations. The mining plan must include a corporate social responsibility document that contains a scheme for annual expenditure by the lessee on socio-economic for the benefit of the host population and for enabling self-employment opportunities.
- Every mining lease will have a Mine Closure Plan prepared in terms of a Sustainable Development Framework that includes details of closure, rehabilitation and restoration activities.
- The holder of a mining lease shall pay either a yearly dead rent or a royalty in respect of every mineral removed or consumed by him, whichever is higher.
- Compensation shall be paid to every person or family holding occupation or rights of the land surface for which a license is granted. The holder of a mining lease will pay a specified amount of money each year to the District Mineral Foundation, which will be used for the benefit of persons or families affected by mining related operations. This amount is equivalent to 26 percent of profit in the case of coal and lignite, and is equivalent to the royalty paid during the financial year in case of major minerals.
- Mining companies shall allot at least one non-transferable share at par to each person of a family affected by mining related operations. The holder of a mining lease shall also be liable to provide employment in addition to other compensation payable to affected persons or families.
- The central government may levy and collect a cess on major minerals as (a) a customs duty in case of export, and (b) an excise duty in other cases. State governments may levy and collect a cess on major and minor minerals.
- The Bill provides for a new concession instrument for technology and investment intensive exploration exclusively for deep deposits called “high-technology reconnaissance-cum-exploration license”.
- The central government shall develop a National Sustainable Development Framework containing guidelines for the formulation of project-level practices for scientifically, environmentally and socially sustainable mining. State governments shall develop State Sustainable Development Frameworks.
- The central government shall establish a National Mineral Fund. Each state government may establish a State Mineral Fund and District Mineral Foundations. The District Mineral Foundations will be non-profit bodies that shall work for the benefit of persons or families affected by mining related operations.
- The central government shall establish a National Mining Regulatory Authority and a National Mining Tribunal. States can establish State Mining Regulatory Authorities and State Mining Tribunals.
- The Bill defines various offences and their corresponding penalties. Exploration without license may be punished with imprisonment up to two years, and mining without license up to three years. Other offenses carry a penalty of imprisonment up to one year and fine.
- State governments may constitute Special Courts for providing speedy trials of offences as defined in the Bill.

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