



Standing Committee Report Summary

The Mines and Minerals (Development and Regulation) Amendment Bill, 2008

- The Standing Committee on Coals and Steel presented its 39th report on the Mines and Minerals (Development and Regulation) Amendment Bill, 2008 on February 19, 2009. The chairperson of the Committee was Shri Satyanarayan Jatiya.
- The Bill amends the Mines and Minerals (Development and Regulation) Act, 1957, which regulates mines and the development of minerals.
- The Act specifies rules for prospecting and mining operations and rules for granting licenses or leases. The Bill seeks to allow the state government to grant a prospecting license or mining lease for coal and lignite to private companies through competitive bidding. The Committee strongly believes that states are the owners of mineral resources and the government must consult them before adopting a new policy. The Committee requests the ministry to address the grievances of state governments and stakeholders before adopting this legislation.
- The Committee believes that if the coal block already allotted is not development according to the timeframe set by the ministry, they may be disposed off through the new policy initiative. Subsequently, new blocks may be allotted through competitive bidding.
- If the government feels that it is essential to pass this new policy, then the Committee recommends the following: (i) the Ministry of Coal should engage a reputed consultant for the bidding process; (ii) conduct a feasibility study report, mine valuation and financial modelling should be done before each coal block is auctioned; (iii) document the selection process of coal blocks; (iv) prevent allotment of coal blocks from reserve or protected forests; (v) categorise blocks based reasonable quantity and quality; (vi) technical and financial criteria should be reasonable; and (vii) the exact requirement of coal should be determined prior to allotment.
- The Committee also recommends that the resettlement and rehabilitation plans and community welfare plans should be clearly defined.

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