

lb. Mineral Conservation and Development Rules, 1988

- holders of prospecting licenses to provide prospecting plan to Indian Bureau of Mines
 - include details of prospecting operations and environmental management plan
- mining plans subject to approval by Indian Bureau of Mines, within 90 days of receipt of the plan
- prospecting and mining conducted "to ensure systematic development of mineral deposits. conservation of minerals and protection of environment"
 - basic rules for mine operation and management of tailings
 - notice of abandonment plans to IBM
 - approval of IBM prior to stoping
 - extensive information to be kept by lessee on mining property and activities
- environmental protection
 - conservation of top soil
 - treatment of tailings to minimize leaching, stabilization of overburden, secure from flooding/land degradation
 - reclamation prior to abandonment
 - air/water pollution standards as per the Air and Water (Pollution and Control) Acts. 1981 and the Environment (Protection) Act, 1986
 - precautions to keep liquid, toxic effluents to a minimum
 - reforestation of at least twice the number of trees destroyed

The basic tenets of Indian mining legislation should be familiar to a North American prospector or mine developer. The laws enable the Central government to exercise close control over mineral development. In function, this is not different than the role of provincial/territorial governments in Canada, though in practice bureaucratic regulatory intervention is greater. The information requirements of the government are also relatively onerous.

Foreign Investment Issues

The well established rule of law, and common usage of the English language contribute to India's attractiveness as an investment destination. The legal system differs from that of Canada, despite common British influence. Proceedings can be slow. The Indian Constitution protects the independence of the Supreme Court. The system is held in high repute and is a cornerstone of Indian society.

It is widely agreed that the policy and legal context for mining is more conducive to investment by non-Indians than at any time since 1947. For the major minerals, joint ventures with foreign equity up to 50 per cent are now straight forward.

Foreign sales of technologies and services to Indian mining companies are actively encouraged. Indian and foreign firms are free to collaborate for technology transfer, subject to (1) a maximum know-how fee of Rs 10 million; and royalty payments not in excess of 5 per cent of domestic sales and 8 per cent of exports. The approval process for purchase of foreign technologies is described as 'automatic'.