

Bill No. 183 of 2014

THE COAL MINES (SPECIAL PROVISIONS) BILL, 2014

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Bill No. 183 of 2014

THE COAL MINES (SPECIAL PROVISIONS) BILL, 2014

A

BILL

to provide for allocation of coal mines and vesting of the right, title and interest in and over the land and mine infrastructure together with mining leases to successful bidders and allottees with a view to ensure continuity in coal mining operations and production of coal, and for promoting optimum utilisation of coal resources consistent with the requirement of the country in national interest and for matters connected therewith or incidental thereto.

WHEREAS the Supreme Court of India *vide* judgment dated 25th August, 2014 read with its order dated 24th September, 2014 has cancelled the allocation of coal blocks and issued directions with regard to such coal blocks and the Central Government in pursuance of the said directions has to take immediate action to implement the said order;

AND WHEREAS it is expedient in public interest for the Central Government to take immediate action to allocate coal mines to successful bidders and allottees keeping in view the energy security of the country and to minimise any impact on core sectors such as steel, cement and power utilities, which are vital for the development of the nation;

AND WHEREAS the Central Government considers it necessary to prescribe the conditions to rationalise the coal sector for mining operations, consumption and sale having regard to the coordinated and scientific development and utilisation of coal resources consistent with the growing requirement of the country;

AND WHEREAS Parliament is competent to legislate under entry 54 of List I of the Seventh Schedule to the Constitution for regulation of mines and mineral development to the

extent to which such regulation and development under the control of Union is declared by Parliament by law to be expedient in the public interest.

BE it enacted by Parliament in the Sixty-fifth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title,
extent and
commence-
ment.

1. (1) This Act may be called the Coal Mines (Special Provisions) Act, 2014.

(2) It extends to the whole of India.

(3) It shall be deemed to have come into force on the 21st day of October, 2014.

Declaration
as to
expediency
of Union
action.

2. It is hereby declared that it is expedient in the public interest that Union should take action for the development of Schedule I coal mines and extraction of coal on continuous basis for optimum utilisation.

Definitions.

3. (1) In this Act, unless the context otherwise requires,—

(a) “additional levy” means, the additional levy as determined by the Supreme Court in Writ Petition (Criminal) No. 120 of 2012 as two hundred and ninety-five rupees per metric tonne of coal extracted;

(b) “allotment order” means the allotment order issued under section 5;

(c) “appointed date” in relation to—

(i) Schedule I coal mines excluding Schedule II coal mines, shall be the 24th day of September, 2014 being the date on which the allocation of coal blocks to prior allottees stood cancelled; and

(ii) Schedule II coal mines shall be the 1st day of April, 2015 being the date on which the allocation of coal blocks to prior allottees shall stand cancelled,

in pursuance of the order of the Supreme Court dated the 24th September, 2014 passed in Writ Petition (Criminal) No. 120 of 2012;

(d) “bank” shall have the same meaning as assigned to it in clause (c) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(e) “coal mining operations” means any operation undertaken for the purpose of winning coal;

(f) “company” shall have the same meaning as assigned to it in clause (20) of section 2 of the Companies Act, 2013;

(g) “corporation” shall have the same meaning as assigned to it in clause (11) of section 2 of the Companies Act, 2013;

(h) “financial institution” shall have the same meaning as assigned to it in clause (m) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(i) “government company” shall have the same meaning as assigned to it in clause (45) of section 2 of the Companies Act, 2013;

(j) “mine infrastructure” includes mining infrastructure such as tangible assets used for coal mining operations, being civil works, workshops, immovable coal winning equipment, foundations, embankments, pavements, electrical systems, communication systems, relief centres, site administrative offices, fixed installations, coal handling arrangements, crushing and conveying systems, railway sidings, pits, shafts, inclines, underground transport systems, hauling systems, (except movable equipment unless

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the same is embedded in land for permanent beneficial enjoyment thereof), land demarcated for afforestation and land for rehabilitation and re-settlement of persons affected by coal mining operations under the relevant law;

5 (k) “nominated authority” means the authority nominated by the Central Government under section 6;

(l) “notification” means a notification published in the Official Gazette;

(m) “prescribed” means prescribed by rules made under this Act;

10 (n) “prior allottee” means prior allottee of Schedule I coal mines as listed therein who had been allotted coal mines between 1993 and 31st day of March, 2011, whose allotments have been cancelled pursuant to the judgment of the Supreme Court dated the 25th August, 2014 and its order dated 24th September, 2014 including those allotments which may have been de-allocated prior to and during the pendency of the Writ Petition (Criminal) No.120 of 2012.

15 *Explanation*:—In case a mining lease has been executed in favour of a third party, subsequent to such allocation of Scheduled I coal mines, then, the third party shall be deemed to be the prior allottee;

(o) “Schedule” means a Schedule appended to this Act;

(p) “Schedule I coal mines” means,—

20 (i) all the coal mines and coal blocks the allocation of which was cancelled by the judgment dated 25th August, 2014 and its order dated 24th September, 2014 passed in Writ Petition (Criminal) No.120 of 2012, including those allotments which may have been de-allocated prior to and during the pendency of the said Writ Petition;

25 (ii) all the coal bearing land acquired by the prior allottee and lands, in or adjacent to the coal mines used for coal mining operations acquired by the prior allottee;

(iii) any existing mine infrastructure as defined in clause (j).

30 (q) “Schedule II coal mines” means the forty-two Schedule I coal mines listed in Schedule II which are the coal mines in relation to which the order of the Supreme Court dated 24th day of September, 2014 was made;

(r) “Schedule III coal mines” means the thirty-two Schedule I coal mines listed in Schedule III or any other Schedule I coal mine as may be notified under sub-section (2) of section 7;

35 (s) “secured creditor” shall have the same meaning as assigned to it in clause (zd) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
54 of 2002.

(t) “secured debt” shall have the same meaning as assigned to it in clause (ze) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
54 of 2002.

40 (u) “security interest” shall have the same meaning as assigned to it in clause (zf) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
54 of 2002.

(v) “specified end-use” means any of the following end-uses and the expression “specified end user” shall with its grammatical variations be construed accordingly:—

45 (i) production of iron and steel;

(ii) generation of power including the generation of power for captive use;

(iii) washing of coal obtained from a mine;

(iv) cement;

(v) such other end-use as the Central Government may, by notification, specify;

(w) “vesting order” means the vesting order issued under section 8.

(2) Words and expressions used herein and not defined, but defined in the Coal Bearing Areas (Acquisition and Development) Act, 1957, the Mines and Minerals (Development and Regulation) Act, 1957 and the Coal Mines (Nationalisation) Act, 1973 including any rules or regulations made thereunder, shall have the meanings, respectively assigned to them in those Acts. 5 20 of 1957.
67 of 1957.
26 of 1973.

CHAPTER II

AUCTION AND ALLOTMENT

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Eligibility to participate in auction and payment of fees.

4. (1) Subject to the provisions of section 5, Schedule I coal mines shall be allocated by way of public auction in accordance with such rules, and on the payment of such fees which shall not exceed five crore rupees, as may be prescribed.

(2) Subject to the provisions in sub-section (3) of this section and section 5, the Central Government may, for the purpose of granting reconnaissance permit, prospecting licence or mining lease in respect of any area containing coal, select any of the following companies through auction by competitive bidding, on such terms and conditions as may be prescribed— 15

(a) a Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be, or any other company incorporated in India; or 20

(b) a company or a joint venture company formed by two or more companies, may carry on coal mining operations in India, in any form either for own consumption, sale or for any other purpose in accordance with the permit, prospecting licence or mining lease, as the case may be, and the State Government shall grant such reconnaissance permit, prospecting licence or mining lease in respect of any area containing coal to such company as selected through auction by competitive bidding under this section. 25

(3) Subject to the provisions of section 5, the following persons who fulfil such norms as may be prescribed, shall be eligible to bid in an auction of Schedule II coal mines and Schedule III coal mines and to engage in coal mining operations in the event they are successful bidders, namely:— 30

(a) a company engaged in specified end-use including a company having a coal linkage which has made such investment as may be prescribed;

Explanation.—A “company with a coal linkage” includes any such company whose application is pending with the Central Government on the date of commencement of this Act; 35

(b) a joint venture company formed by two or more companies having a common specified end-use and are independently eligible to bid in accordance with this Act;

(c) a Government company or corporation or a joint venture company formed by such company or corporation or with any other company having common specified end-use: 40

Provided that nothing contained in sub-section (2) shall apply to this sub-section.

(4) A prior allottee shall be eligible to participate in the auction process subject to payment of the additional levy within such period as may be prescribed and if the prior allottee has not paid such levy, then, the prior allottee, its promoter or any of its company of such prior allottee shall not be eligible to bid either by itself or by way of a joint venture. 45

(5) Any prior allottee who is convicted for an offence relating to coal block allocation and sentenced with imprisonment for more than three years, shall not be eligible to participate in the auction.

5 **5. (1)** Notwithstanding the provisions contained in sub-sections (1) and (3) of section 4, the Central Government may allot a Schedule I coal mine to a Government company or corporation or to a joint venture between two or more Government companies or corporations or to a company which has been awarded a power project on the basis of competitive bids for tariff (including Ultra Mega Power Projects) from specified Schedule I coal mines by making an allotment order in accordance with such rules as may be prescribed and the State Government shall grant a reconnaissance permit, prospecting licence or mining lease in respect of any area containing coal to such company or corporation:

Allotment of mines to Government companies or corporations.

Provided that the Government company or corporation may carry on Coal Mining in any form either for its own consumption sale or for any other purpose in accordance with the permit, prospecting licence or mining lease, as the case may be.

15 Provided further that no company other than a Government company or corporation shall hold more than twenty six per cent. of the paid up share capital in the Government company or corporation or in the joint venture between a Government company or corporation, either directly or through any of its subsidiary company or associate company:

20 Provided also that a joint venture of any two or more Government companies or corporations shall be prohibited from alienating or transferring any interest, except the taking of loans or advances from a bank or financial institution, in the joint venture of whatsoever nature including ownership in favour of a third party.

(2) No allotment under sub-section (1) shall be made to a prior allottee, if that allottee has not made the payment of the additional levy within the specified period.

25 **6. (1)** The Central Government shall appoint an officer not below the rank of a Joint Secretary to the Government of India as the nominated authority who shall act for and on behalf of the Central Government for the purposes of this Act and shall exercise such powers as may be prescribed.

Central Government to act through nominated authority.

30 (2) The nominated authority may engage any expert having such qualifications and experience and on such terms and conditions as may be prescribed to make recommendations to the authority for the conduct of auction and in drawing up of the vesting order or allotment order in relation to Schedule I coal mines.

(3) The Central Government shall act through the nominated authority for the following purposes, namely:—

35 (a) conduct the auction process and allotment with the assistance of experts;

(b) execution of the vesting order for transfer and vesting of Schedule I coal mines pursuant to the auction;

(c) executing the allotment order for any Government company or corporation in pursuance of section 5;

40 (d) recording and mutating incorporeal rights of whatsoever nature including, consents, permissions, permits, approvals, grants, registrations;

(e) collection of auction proceeds, adjustment of preferential payments and transfer of amount to the respective State Governments where Schedule I coal mine is located in accordance with the provisions of this Act.

45 (4) The nominated authority shall complete the auction or execute the allotment orders of Schedule I coal mines within such time and in accordance with such rules as may be prescribed.

(5) The Central Government may appoint such other officers and staff as it may think fit to assist the nominated authority.

(6) The salaries and allowances and other terms and conditions of service of the nominated authority and such other officers and staff appointed under this section shall be such as may be prescribed.

(7) The nominated authority shall be bound by the written direction given by the Central Government on the question of policy.

Power to classify certain Schedule I coal mines by Central Government.

7. (1) The Central Government may, before notifying the particulars of auction, classify mines identified from Schedule I coal mines as earmarked for the same class of specified end-uses.

(2) The Central Government may in public interest, by notification, modify Schedule III coal mines by adding any other Schedule I coal mine for the purposes of specified end-use.

Nominated authority to issue vesting order or allotment order.

8. (1) The nominated authority shall notify the prior allottees of Schedule I coal mines to enable them to furnish information required for notifying the particulars of Schedule I coal mines to be auctioned in accordance with such rules as may be prescribed.

(2) The information required to be furnished under sub-section (1) shall be furnished within a period of fifteen days from the date of such notice.

(3) A successful bidder in an auction conducted on a competitive basis in accordance with such rules as may be prescribed, shall be entitled to the vesting of Schedule I coal mine for which it bid, pursuant to a vesting order drawn up in accordance with such rules.

(4) The vesting order shall transfer and vest upon the successful bidder, the following, namely:—

(a) all the rights, title and interest of the prior allottee, in Schedule I coal mine concerned with the relevant auction;

(b) entitlement to a mining lease to be granted by the State Government;

(c) any statutory licence, permit, permission, approval or consent required to undertake coal mining operations in Schedule I coal mines if already issued to the prior allottee;

(d) rights appurtenant to the approved mining plan of the prior allottee;

(e) any right, entitlement or interest not specifically covered under clauses (a) to (e).

(5) The nominated authority shall, in consultation with the Central Government, determine the floor price or reserve price in accordance with such rules as may be prescribed.

(6) The successful bidder shall, prior to the issuance and execution of a vesting order, furnish a performance bank guarantee for an amount as notified in relation to Schedule I coal mine auctioned to such bidder within such time, form and manner as may be prescribed.

(7) After the issuance of a vesting order under this section and its filing with the Central Government and with the appropriate authority designated by the respective State Governments, the successful bidder shall be entitled to take possession of the Schedule I coal mine without let or hindrance.

(8) Upon the execution of the vesting order, the successful bidder of the Schedule I coal mine shall be granted a prospecting licence or a mining lease, as applicable, by the concerned State Government in accordance with the Mines and Minerals (Development and Regulation) Act, 1957.

(9) A Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be, or any other company incorporated in India, allotted a Schedule I coal mine shall be granted a prospecting licence or a mining lease, as applicable, by the concerned State Government in accordance with the Mines and Minerals (Development and Regulation) Act, 1957.

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(10) In relation to Schedule II coal mines, the successful bidder which was a prior allottee, shall continue coal mining operations after the appointed date in terms of the approved mining plan, till the mining lease in terms of sub-section (8) is granted, upon the grant of a vesting order and to that extent, the successful bidder shall be deemed to have been granted a mining lease till the execution of the mining lease in terms of the said sub-section.

(11) In relation to Schedule II coal mines, the Government company or corporation which was a prior allottee can continue coal mining operations after the appointed date in terms of the approved mining plan, till the mining lease in terms of sub-section (9) is granted, upon execution of the allotment order and to that extent, the allottee shall be deemed to have been granted a mining lease till the execution of the mining lease in terms of the said sub-section.

(12) The provisions of sub-sections (1) and (2) and sub-sections (4) to (7) (both inclusive) of this section as applicable to a vesting order, shall *mutatis mutandis* be also applicable to an allotment order.

9. The proceeds arising out of land and mine infrastructure in relation to a Schedule I coal mine shall be disbursed maintaining, *inter alia*, the priority of payments in accordance with the relevant laws and such rules as may be prescribed—

Priority of disbursement of proceeds.

- (a) Payment to secured creditors for any portion of the secured debt in relation to a Schedule I, coal mine which is unpaid as on the date of the vesting orders;
- (b) compensation payable to the prior allottee in respect of the Schedule I coal mine.

CHAPTER III

TREATMENT OF RIGHTS AND OBLIGATIONS OF PRIOR ALLOTTEES

10. (1) A successful bidder or allottee in respect of Schedule I coal mines, may negotiate with prior allottee to own or utilise such movable property used in coal mining operations on such terms and conditions as may be mutually agreed to by them.

Utilisation of movable property used in coal mining operations.

(2) Where a successful bidder or allottee is not vested with any movable property of a Schedule I coal mine, then, he is not bound by any liabilities or obligations arising out of such ownership or contractual rights, obligations or liabilities which shall continue to remain with the prior allottee.

(3) In the event that the successful bidder or allottee is unable to satisfactorily negotiate with the prior allottee or any third party who has a contract with the prior allottee for the movable property, it shall be the obligation of the prior allottee or the third party to remove such movable property within a period not exceeding thirty days from the date of the vesting order, or the allotment order, as the case may be, and the successful bidder or allottee shall not be liable for any damage to such property.

(4) A successful bidder or allottee which has elected not to purchase or transfer or continue to use the movable property referred to in sub-section (1), shall prior to the execution of the vesting order or the allotment order, as the case may be, declare to the nominated authority that he intends to move and store such movable property of the prior allottee or such third party and after the date of the vesting order or the allotment order, as the case may be, the successful bidder or allottee shall be entitled to move and store such movable property, so as not to cause any impediment for coal mining operations.

(5) If a prior allottee or such third party which has contracted with the prior allottee for its movable property, fails to remove the movable property which the successful bidder or allottee has elected not to purchase or use in accordance with sub-section (4), then, after the period of seventy-five days from the vesting order or the allotment order, as the case may be, a successful bidder or allottee shall be entitled to dispose of such movable property which may be physically located within Schedule I coal mine, the successful bidder or the allottee,

shall, in such event be entitled to appropriate the sale proceeds of such movable property disposed of to pay for any cost incurred by the successful bidder or allottee, for the removal, storage, sale and disposal of such movable property, as a first charge over the sale proceeds of such movable property:

Provided that the remaining sale proceeds after appropriation of costs, shall be paid by the successful bidder or allottee to the Central Government towards any compensation that may be payable to the owner of such movable property sold, upon establishment of title to such movable property in accordance with such rules as may be prescribed:

Provided further that if a third party contractor to the prior allottee owns such movable property, then, such third party shall be entitled to prove its right to receive compensation from the sale proceeds of the movable property sold as per this sub-section, in accordance with such rules as may be prescribed.

Discharge or adoption of third party contracts with prior allottees.

11. (1) Notwithstanding anything contained in any other law for the time being in force, a successful bidder or allottee, as the case may be, in respect of Schedule I coal mines, may elect, to adopt and continue such contracts which may be existing with any of the prior allottees in relation to coal mining operations and the same shall constitute a novation for the residual term or residual performance of such contract:

Provided that in such an event, the successful bidder or allottee or the prior allottee shall notify the nominated authority to include the vesting of any contracts adopted by the successful bidder.

(2) In the event that a successful bidder or allottee elects not to adopt or continue with existing contracts which had been entered into by the prior allottees with third parties, in that case all such contracts which have not been adopted or continued shall cease to be enforceable against the successful bidder or allottee in relation to the Schedule I coal mine and the remedy of such contracting parties shall be against the prior allottees.

Provisions in relation to secured creditors.

12. (1) The secured creditors of the prior allottees which had any security interest in any part of the land or mine infrastructure of a Schedule I coal mine shall be entitled to—

(a) continue with such facility agreements and security interest with the prior allottee if such prior allottee is a successful bidder or allottee; and

(b) in the event that the prior allottee is not a successful bidder or allottee, then the security interest of such secured creditor shall only be satisfied out of the compensation payable to such prior allottee, to the extent determined in accordance with such rules as may be prescribed and the outstanding debt shall be recoverable from the prior allottee.

(2) The Central Government shall, taking into consideration the provisions contained in section 9, prescribe the manner in which the secured creditor shall be paid out of the compensation in respect of any prior allottee.

Void alienations and permitted security interests.

13. Any and all alienations of land and mine infrastructure and creation of any encumbrances of whatsoever nature thereon which relate to Schedule I coal mines, made by any prior allottee after the 25th day of August, 2014 shall be void, save and except any registered security interest and charge over the land and mine infrastructure as registered by a bank or a financial institution or any other secured lender.

Liabilities of prior allottees.

14. (1) Notwithstanding anything contained in any other law for the time being in force, no proceedings, orders of attachment, distress, receivership, execution or the like, suits for the recovery of money, enforcement of a security or guarantee (except as otherwise provided for under this Act), prior to the date of commencement of this Act shall lie, or be proceeded further with and no remedies shall be available against the successful bidder, or allottee, as the case may be, or against the land and mine infrastructure in respect of Schedule I coal mines.

(2) The proceedings as referred to in sub-section (1), shall continue as a personal remedy against the prior allottee but shall not be maintainable or continued against the land or mine infrastructure of Schedule I coal mine or the successful bidder or allottee, pursuant to this Act.

5 (3) Every liability of any prior allottee in relation to a Schedule I coal mine in respect of any period prior to the vesting order or allotment order, shall be the liability of such prior allottee and shall be enforceable against it and not against the successful bidder or allottee or the Central Government.

(4) All unsecured loans shall continue to remain the liability of the prior allottee.

10 (5) The additional levy imposed against the prior allottees of Schedule II coal mines shall continue to remain the liability of such prior allottees and such additional levy shall be collected by the Central Government in such manner as may be prescribed.

(6) For the removal of doubts, it is hereby declared that—

15 (a) no claim for wages, bonus, royalty, rate, rent, taxes, provident fund, pension, gratuity or any other dues in relation to a Schedule I coal mine in respect of any period prior to the date of vesting order or allotment order, as the case may be, shall be enforceable against the Central Government or the successful bidder or the allottee, as the case may be;

20 (b) no award, decree, attachment or order of any court, tribunal or other authority in relation to any Schedule I coal mine passed prior to the date of commencement of this Act, in relation to the land and mine infrastructure of Schedule I coal mines, shall be enforceable against the Central Government or the successful bidder or the allottee, as the case may be;

25 (c) no liability for the contravention of any provision of law for the time being in force, relating to any act or omission prior to the date of vesting order or allotment order, as the case may be, shall be enforceable against the successful bidder or allottee or the Central Government.

30 **15.** (1) For the purposes of disbursing the amounts payable to the prior allottees of Schedule I coal mines, the Central Government shall appoint an officer not below the rank of Joint Secretary to the Government of India, to be the Commissioner of payments.

Commissioner of payments to be appointed and his powers.

(2) The Central Government may appoint such other officers and staff as it may think fit to assist the Commissioner and thereupon the Commissioner may authorise one or more of such officers also to exercise all or any of the powers exercisable by him under this Act.

35 (3) Any officer authorised by the Commissioner to exercise any powers may exercise those powers in the same manner and with the same effect as if they have been conferred on him directly by this Act and not by way of authorisation.

(4) The salaries and allowances and other terms and conditions of service of the Commissioner and other officers and staff appointed under this section shall be such as may be prescribed.

40 (5) The Central Government shall, within a period of thirty days from such date as may be notified pay to the Commissioner for payment to the prior allottee, an amount equal to the compensation determined by the nominated authority.

(6) Separate records shall be maintained by the Commissioner in respect of each Schedule I coal mine in relation to which payments have been made to him under this Act.

45 **16.** (1) The quantum of compensation for the land in relation to Schedule I coal mines shall be as per the registered sale deeds lodged with the nominated authority in accordance with such rules as may be prescribed, together with twelve per cent. simple interest from the date of such purchase or acquisition, till the date of the execution of the vesting order or the allotment order, as the case may be.

Valuation of compensation for payment to prior allottee.

(2) The quantum of compensation for the mine infrastructure in relation to Schedule I coal mines shall be determined as per the written down value reflected in the statutorily audited balance sheet of the previous financial year in accordance with such rules and in such manner as may be prescribed.

(3) If the successful bidder or allottee is a prior allottee of any of the Schedule I coal mines, then, the compensation payable to such successful bidder or allottee shall be set off or adjusted against the auction sum or the allotment sum payable by such successful bidder or allottee, as the case may be, for any of the Schedule I coal mines. 5

(4) The prior allottee shall not be entitled to compensation till the additional levy has been paid. 10

CHAPTER IV

POWERS OF THE CENTRAL GOVERNMENT AFTER THE APPOINTED DATE

Responsibility of Central Government after the appointed date.

17. (1) On and from the appointed date, the Central Government or a company owned by the Central Government shall be deemed to have become the lessee or licensee of the State Government in relation to each of the Schedule II coal mines, in respect of which a mining lease or prospecting licence has been granted prior to the date of commencement of this Act, as if a mining lease or prospecting licence in relation to such coal mine had been granted to the Central Government or a company owned by the Central Government and the period of such lease or licence shall be the maximum period for which such lease or licence could have been granted by the State Government under the Mineral Concession Rules, 1960, and thereupon all the rights under such mining lease, including surface, underground and other rights shall be deemed to have been transferred to, and vested in, the Central Government or a company owned by the Central Government. 15 20

(2) On the expiry of the term of any lease or licence, referred to in sub-section (1), such lease or licence shall be renewed, by the State Government, in consultation with the Central Government for the maximum period for which such lease or licence can be renewed under the Mineral Concession Rules, 1960. 25

(3) As it is considered expedient and necessary in the public interest and in view of the difficult situation which has arisen, the powers of the State Government, under the Mines and Minerals (Development and Regulation) Act, 1957, to prematurely terminate a prospecting licence or mining lease, shall stand suspended, in relation to Schedule I coal mines, for a period of one year from the date of commencement of this Act or such other period as may be notified by the Central Government. 30 67 of 1957.

Central Government to appoint designated custodian.

18. (1) On and from the appointed date, if the auction or allotment of Schedule I coal mines is not complete, the Central Government shall appoint any person as a designated custodian to manage and operate such coal mines as may be notified by the Central Government. 35

(2) The designated custodian shall act for and on behalf of the Central Government in respect of the notified coal mines under sub-section (1) to operate and manage such Schedule I coal mines in such manner as may be notified, till the completion of the auction of such coal mines or allotment under section 4 and section 5 read with section 8, as the case may be. 40

Powers and functions of the designated custodian in respect of Schedule II coal mines.

19. (1) The designated custodian appointed under sub-section (1) of section 18, shall be entitled to take control and possession of all lands, in or adjacent to Schedule II coal mines, and used for coal mining operations and the mine infrastructure in relation to Schedule II coal mine, on behalf of the Central Government. 45

(2) The designated custodian may direct the prior allottees or any other persons in charge of the management of the Schedule II coal mine and coal mining operations immediately before the appointed date to provide the requisite manpower, as may be necessary, to ensure continuity in coal mining operations and production of coal. 50

(3) The designated custodian shall receive, to the exclusion of all other persons, any monies due to Schedule II coal mines, notwithstanding cases where such receipt pertains to a transaction made at any time before the appointed date.

5 (4) The designated custodian may call for any information, records and documents in relation to Schedule II coal mines and coal mining operations from any or all such persons who were in charge of the management and operation of such Schedule II coal mines prior to the appointed date, and such persons shall be bound to deliver to the designated custodian all such documents in their custody relating to Schedule II coal mines.

10 (5) The designated custodian may appoint such consultants or experts, as may be necessary, in relation to the management and operation of Schedule II coal mines.

(6) The designated custodian shall transfer the management and operation of any Schedule II coal mines to such person in such manner as may be prescribed.

15 (7) The designated custodian shall have rights, liabilities and obligations as a prior allottee or a successful bidder in respect of coal mines entrusted to it under section 18, to be exercised and discharged in such manner as may be prescribed.

(8) The designated custodian shall have the power to perform such other functions which may be consequential or incidental to the functions specified under this section.

20 (9) Notwithstanding anything contained in any other law for the time being in force, the designated custodian shall, in exercise of its powers or the performance of its functions under this Act, be bound by such directions on questions of policy, as the Central Government may give in writing to it from time to time.

CHAPTER V

CERTAIN ARRANGEMENTS

25 **20.** (1) A successful bidder or allottee or coal linkage holder shall, with prior approval of the Central Government and in accordance with such rules as may be prescribed, be entitled to enter into certain agreements or arrangements with other successful bidder or allottee or coal linkage holder, as the case may be, for optimum utilisation of coal mine for the same end-uses in the public interest and to achieve cost efficiencies.

Power of Central Government to approve certain arrangements.

30 (2) A successful bidder or allottee may also use the coal mine from a particular Schedule I coal mine for any of its plants engaged in common specified end-uses, in accordance with such rules as may be prescribed.

CHAPTER VI

MISCELLANEOUS

30 of 2013. 35 **21.** (1) All existing land acquisition proceedings under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, in relation to Schedule I coal mines, shall continue in respect of such areas of land in accordance with the provisions of the said Act.

Acquisition of land.

30 of 2013. 40 (2) All such areas of land which are not subject matter of land acquisition proceedings, in relation to the coal mines, under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 may be proceeded with by the Central Government in terms of the Coal Bearing Areas (Acquisition and Development) Act, 1957.

20 of 1957. (3) The State Governments which have initiated land acquisition proceedings under provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and all such lands which are also subject matter of the said Act in respect of Schedule I coal mines, shall—

30 of 2013. 45 (a) not transfer any land to the prior allottees which have been acquired under the said Act;

(b) continue the land acquisition proceedings till the appointed date;

50 (c) for such Schedule I coal mines which have not vested in the successful bidder or the allottee, as the case may be, by the appointed date, continue the land acquisition proceedings for and on behalf of the Central Government;

(d) upon the vesting or the allotment, as the case may be, after the appointed date, continue such land acquisition proceedings on behalf of the successful bidder or the allottee.

Realisation of additional levy.

22. If a prior allottee of Schedule II coal mine fails to deposit the additional levy with the Central Government within the specified time, then, such additional levy shall be realised as the arrears of land revenue. 5

Penalties for certain offences.

23. If any person—

(a) obstructs or causes any impediment in taking possession or in the management and operation of the Schedule I coal mines by the Central Government or the designated custodian; or 10

(b) fails to deliver to the designated custodian any books of account, registers or any other document in his custody relating to Schedule I coal mines and coal mining operations in respect of the management of which the designated custodian has been appointed; or

(c) destroys or misuses any mine infrastructure or coal stock; or 15

(d) retains any property of such coal mine or removes or destroys it,

he and any officer-in-default of the company shall be punishable with imprisonment for a term which may extend to two years, or with the minimum fine of one lakh rupees per day and in the case of continuing failure, with a maximum fine of two lakh rupees for every day during which the failure continues or with both, depending upon the nature of the offence. 20

Penalty for failure to comply with directions of Central Government.

24. If any person fails to comply, without reasonable cause, with a direction given by the Central Government or nominated authority or the designated custodian, he shall be punishable with a fine of one lakh rupees and in the case of continuing failure with a maximum fine of two lakh rupees for every day during which the failure continues, depending upon the nature of the offence. 25

Offences by companies.

25. (1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of business of the company as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly: 30

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge and that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly. 35

Cognizance of offences.

26. No court shall take cognizance of any offence punishable under this Act or any rules made thereunder except upon complaint in writing made by a person authorised in this behalf by the Central Government or nominated authority or the designated custodian. 40

Dispute settlement and Bar of Jurisdiction of civil courts.

27. (1) Any dispute arising out of any action of the Central Government, nominated authority or Commissioner of Payment or designated custodian, or any dispute between the successful bidder or allottee and prior allottee arising out of any issue connected with the Act shall be adjudicated by the Tribunal constituted under the Coal Bearing Areas (Acquisition and Development) Act, 1957 45

(2) Where the Central Government is of the opinion that any dispute arising out of any issue connected with the Act exists or is apprehended and the dispute should be adjudicated 20 of 1957.

by the Tribunal referred to in sub-section (1), then, the Central Government may by order in writing, refer the dispute or any matter appearing to be connected with, or relevant to, the dispute, to the Tribunal for adjudication.

5 (3) The Tribunal referred to in sub-section (1) shall, after hearing the parties to the dispute, make an award in writing within a period of ninety days from the institution or reference of the dispute.

(4) On and from the commencement of the Act, no court or other authority, except the Supreme Court and a High Court, shall have, or be entitled to exercise, any jurisdiction, powers or authority, in relation to matters connected with the Act.

10 **28.** No suit, prosecution or other legal proceeding shall lie against the Central Government, nominated authority, commissioner of payment, or designated custodian or any person acting on their behalf, in respect of anything which is done or intended to be done in good faith under this Act.

Protection of action taken in good faith.

15 **29.** The provisions of this Act shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force, or in any instrument having effect by virtue of any such law.

Act to have overriding effect.

26 of 1973. 67 of 1957. **30.** On and from the date of commencement of this Act, the Coal Mines (Nationalisation) Act, 1973 and the Mines and Minerals (Development and Regulation) Act, 1957 shall stand amended in the manner provided in Schedule IV.

Amendment of certain Acts contained in Schedule IV.

20 **31.** (1) The Central Government may, by notification in the Official Gazette, and subject to the condition of previous publication, make rules for carrying out the provisions of this Act.

Power to make rules.

(2) In particular, and without prejudice the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

25 (a) the manner of allocation of Schedule I coal mines by way of public auction and details of fees under sub-section (1) of section 4;

(b) the terms and conditions for granting reconnaissance permit, prospecting licence or mining lease and the manner and conditions of competitive bidding under sub-section (2) of section 4;

30 (c) norms to become eligible to bid in an auction and the amount of investment in respect of a company having a coal linkage under sub-section (3) of section 4;

(d) the period within which the payment of additional levy by the prior allottee under sub-section (4) of section 4;

35 (e) the allotment order to make allocations to a Government company or corporation under sub-section (3) of section 5;

(f) the powers of the nominated authority under sub-section (1) of section 6;

(g) the manner of auction or allotment of Schedule I coal mines and execution of the vesting or allotment orders under sub-section (5) of section 6;

40 (h) the salaries and allowances and other terms and conditions of service of the nominated authority and other officers and staff under sub-section (6) of section 6;

(i) the manner of notifying the particulars of Schedule I coal mines to be auctioned and furnishing of required information by the prior allottees under sub-section (1) of section 8;

45 (j) the manner of conducting auction and drawing of a vesting order under sub-section (3) of section 8;

(k) determination of floor price by the nominated authority under sub-section (5) of section 8;

(l) the form and manner of furnishing of bank guarantee and the time within which such furnishing of bank guarantee under sub-section (6) of section 8;

- (m) the manner of disbursement of priority payments under section 9;
- (n) the manner of establishing title of movable property by the prior allottee or third party who has a contract with the prior allottee for the movable property under the first proviso to sub-section (5) of section 10;
- (o) the manner of receiving compensation from the sale proceeds of the movable property under the second proviso to sub-section (5) of section 10; 5
- (p) the manner in which the secured creditor paid out of the compensation in respect of any prior allottee under sub-section (2) of section 12;
- (q) the manner of collection of additional levy by the Central Government from the prior allottees of Schedule II coal mines under sub-section (5) of section 14; 10
- (r) the salaries and allowances and other terms and conditions of service of the Commissioner of payments and other officers and staff under sub-section (4) of section 15;
- (s) the manner of determination of compensation payable to prior allottee and the lodging of registered sale deeds with the nominated authority under sub-section (1) of section 16; 15
- (t) the method of determination of compensation for mine infrastructure in relation to Schedule I and its reflection in the statutorily audited balance sheet under sub-section (2) of section 16;
- (u) the manner of transfer of the management and operation of any Schedule II coal mines by the designated custodian under sub-section (6) of section 19; 20
- (v) the manner of exercising and discharging the rights, liabilities and obligations by the designated custodian under sub-section (7) of section 19;
- (w) the manner of providing agreements or arrangements for optimum utilisation of coal mine for specified end-uses under sub-section (1) of section 20; 25
- (x) the manner of usage of coal mine by a successful bidder or allottee for any of its plants under sub-section (2) of section 20;
- (y) any other matter which is required to be, or may be, prescribed.

(3) Every rule made and every notification issued by the Central Government, under this Act, shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or notification, or both Houses agree that the rule or notification should not be made, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification . 30 35

Power to remove difficulties.

32. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty: 40

Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament. 45

Repeal and saving.

33. (1) The Coal Mines (Special Provisions) Ordinance, 2014 is hereby repealed. Ord. 5 of 2014. 50

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance, shall, without prejudice to the judgment of the Supreme Court dated 25th of August, 2014 and its order dated 24th September, 2014 passed in Writ Petition (Criminal) No. 120 of 2012, be deemed to have been done or taken under the corresponding provisions of this Act.

SCHEDULE I
[See section 3(I)(p)]

Sl. No.	Name of Coal Mine/Block	Name of Prior Allottee	State where Coal Mine/Block Located
1	2	3	4
1	Tadicherla-I	Andhra Pradesh Power Generation Corpn. Ltd.	Andhra Pradesh
2	Anesttipali	Andhra Pradesh Power Generation Corpn. Ltd.	Andhra Pradesh
3	Punkula-Chilka	Andhra Pradesh Power Generation Corpn. Ltd.	Andhra Pradesh
4	Penagaddppa	Andhra Pradesh Power Generation Corpn. Ltd.	Andhra Pradesh
5	Namchik Namphuk	Arunachal Pradesh Mineral Dev. & Trading Corporation	Arunachal Pradesh
6	Sayang	AES Chhattisgarh Energy Pvt. Ltd	Chhattisgarh
7	Rajgamar Dipside (Deavnara)	API Ispat & Powertech Pvt. Ltd., CG Sponge Manufacturers Consortium Coalfield Pvt. Ltd.	Chhattisgarh
8	Durgapur-II/ Taraimar	Bharat Aluminium Company Ltd.	Chhattisgarh
9	Datima	Binani Cement Ltd.	Chhattisgarh
10	Tara	Chhattisgarh Mineral Development Corporation Limited	Chhattisgarh
11	Gare-Palma, Sector-I	Chhattisgarh Mineral Development Corporation Limited	Chhattisgarh
12	Shankarpur Bhatgaon II Extn.	Chhattisgarh Mineral Development Corporation Limited	Chhattisgarh
13	Sondhia	Chhattisgarh Mineral Development Corporation Limited	Chhattisgarh
14	Parsa	Chhattisgarh State Electricity Board	Chhattisgarh
15	Vijay Central	Coal India Limited, SKS Ispat & Power Ltd.	Chhattisgarh
16	Gidhmuri	Chhattisgarh State Electricity Board	Chhattisgarh
17	Paturia	Chhattisgarh State Electricity Board	Chhattisgarh
18	Durgapur-II /Sarya	DB Power Ltd.	Chhattisgarh
19	Bhaskarpara	Electrotherm (India) Ltd., Grasim Industries Ltd.	Chhattisgarh
20	West of Umaria	Sainik Finance and Industries Ltd. (Earlier Garuda Clays Ltd.)	Chhattisgarh
21	Morga II	Gujarat Mineral Development Corporation	Chhattisgarh
22	Gare-Palma Sector-III	Goa Industrial Development Corporation	Chhattisgarh
23	Madanpur South	Hindustan Zinc Ltd., Akshya Investment Pvt. Ltd., Chhattisgarh Steel & Power Ltd., Chhattisgarh Electricity Corporation Ltd., MSP Steel & Power Ltd., Chhattisgarh Captive Coal Mining Ltd. (Consortium of five Cos.)	Chhattisgarh
24	Nakia I	Ispat Godavari Ltd., Ind Agro Synergy Ltd., Shri Nakoda Ispat Ltd., Vandana Global Ltd., Shree Bajrang Power & Ispat Ltd	Chhattisgarh
25	Nakia II	Ispat Godavari, Ind Agro Synergy, Shri Nakoda Ispat, Vandana Global Ltd.,Shree Bajrang Power & Ispat Ltd.	Chhattisgarh
26	Gare-Palma-IV/4	Jayaswal Neco Ltd.	Chhattisgarh
27	Gare-Palma-IV/8	Jayaswal Neco Ltd.	Chhattisgarh
28	Gare-Palma-IV/2	Jindal Power Ltd. (Now Jindal Steel & Power Ltd.)	Chhattisgarh
29	Gare-Palma-IV/3	Jindal Power Ltd. (Now Jindal Steel & Power Ltd.)	Chhattisgarh

1	2	3	4
30	Gare-Palma-IV/1	Jindal Strips Limited (Now Jindal Steel & Power Ltd.)	Chhattisgarh
31	Gare-Palma IV/6	Jindal Steel & Power Ltd., Nalwa Sponge Iron Ltd.	Chhattisgarh
32	Fatehpur East	JLD Yavatmal Energy Ltd., R.K.M. Powergen Pvt. Ltd., Visa Power Ltd., Green Infrastructure Pvt Ltd., Vandana Vidyut Ltd.	Chhattisgarh
33	Morga-I	Madhya Pradesh State Mining Corporation Limited	Chhattisgarh
34	Morga-III	Madhya Pradesh State Mineral Corporation Limited	Chhattisgarh
35	Morga-IV	Madhya Pradesh State Mineral Corporation Limited	Chhattisgarh
36	Gare-Palma Sector-II	Maharashtra State Mining Corpn. Ltd. Tamil Nadu State Electricity Board	Chhattisgarh
37	Gare-Palma-IV/5	Monet Ispat Ltd.	Chhattisgarh
38	Rajgamar Dipside (South of Phulakdih Nala)	Monnet Ispat and Energy Ltd., Topworth Steel Pvt. Ltd.	Chhattisgarh
39	Talaipali	National Thermal Power Ltd.	Chhattisgarh
40	Chotia	Prakash Industries Ltd.	Chhattisgarh
41	Gare-Palma-IV/7	Raipur Alloys & Steel Ltd. (Now Sarda Energy and Mineral Limited)	Chhattisgarh
42	Parsa East	Rajasthan Rajya Vidyut Utpadan Nigam Ltd. (RRVUNL)	Chhattisgarh
43	Kesla North	Rathi Udyog Ltd.	Chhattisgarh
44	Kanta Basan	Rajasthan Rajya Vidyut Utpadan Nigam Ltd. (RRVUNL)	Chhattisgarh
45	Panchbahani	Shree Radhe Industries Ltd.	Chhattisgarh
46	Fatehpur	SKS Ispat and Power Ltd., Prakash Industries Ltd.	Chhattisgarh
47	Madanpur (North)	Ultratech Ltd., Singhal Enterprise Ltd. , Navbharat Coalfield Ltd., Vandana Energy & Steel Pvt. Ltd., Prakash Industries Ltd., Anjani Steel Pvt. Ltd., Chhattisgarh Captive Coal Mining Ltd. (Consortium of five Co.)	Chhattisgarh
48	Brinda	Abhijeet Infrastructure Pvt. Ltd.	Jharkhand
49	Sasai	Abhijeet Infrastructure Pvt. Ltd.	Jharkhand
50	Meral	Abhijeet Infrastructure Pvt. Ltd.	Jharkhand
51	Seregarha	Arcelor Mittal India Ltd., GVK Power (Govindwal Sahib) Ltd.	Jharkhand
52	Patal East	Bhushan Power and Steel Ltd.	Jharkhand
53	Saria Koiyatand	Bihar Rajya Khanij Vikas Nigam (BRKVN) Patna.	Jharkhand
54	Macherkunda	Bihar Sponge Iron Ltd.	Jharkhand
55	Brahmadiha	Castron Technologies Ltd.	Jharkhand
56	Mahuagarhi	Calcutta Electricity Supply Corporation Ltd. (CESC), Jas Infrastructure Capital Pvt. Ltd.	Jharkhand
57	Chitarpur	Corporate Ispat Alloys Ltd.	Jharkhand
58	Saharpur Jamarpani	Damodar Valley Corporation	Jharkhand
59	Lalgarh (North)	Domco Smokeless Fuel Pvt. Ltd.	Jharkhand
60	Parbatpur-Central	Electrosteel Castings Ltd.	Jharkhand
61	Chakla	Essar Power Ltd.	Jharkhand
62	Ashok Karkatta Central	Essar Power Ltd.	Jharkhand

1	2	3	4
63	Jainagar	Gujarat Mineral Development Corporation (GMDC)	Jharkhand
64	Tokisud North	GVK Power (Govindwal Sahib) Ltd	Jharkhand
65	Tubed	Hindalco Industries Ltd., Tata Power Company Ltd.	Jharkhand
66	Moitra	Jayaswal Neco Ltd.	Jharkhand
67	North Dhadu	Jharkhand Ispat Pvt. Ltd., Pavanjay Steel & Power Ltd., Electrosteel castings Ltd., Adhunik Alloys & Power Ltd.	Jharkhand
68	Banhardih	Jharkhand State Electricity Board	Jharkhand
69	Sugia Closed mine	Jharkhand State Mineral Development Corporation	Jharkhand
70	Rauta Closed mine	Jharkhand State Mineral Development Corporation	Jharkhand
71	Burakhap small patch	Jharkhand State Mineral Development Corporation	Jharkhand
72	Pindra-Debipur-Khaowatand	Jharkhand State Mineral Development Corporation Ltd.	Jharkhand
73	Latehar	Jharkhand State Mineral Development Corporation Ltd.	Jharkhand
74	Patratu	Jharkhand State Mineral Development Corporation Ltd.	Jharkhand
75	Rabodih OCP	Jharkhand State Mineral Development Corporation Ltd.	Jharkhand
76	Jogeshwar & Khas Jogeshwar	Jharkhand State Mineral Development Corporation	Jharkhand
77	Jitpur	Jindal Steel & Power Ltd.	Jharkhand
78	Amarkonda Murgadangal	Jindal Steel and Power Ltd., Gagan Sponge Iron Pvt. Ltd.	Jharkhand
79	Urma Paharitola	Jharkhand State Electricity Board, Bihar State Mineral Development Corporation Ltd.	Jharkhand
80	Rohne	JSW Steel Ltd., Bhushan Power & Steel Ltd., Jai Balaji Industries Ltd.	Jharkhand
81	Gomia	Metals and Minerals Trading Corporation	Jharkhand
82	Rajhara North (Central & Eastern)	Mukund Limited, Vini Iron & Steel Udyog Limited	Jharkhand
83	Dumri	Nilachal Iron & Power Ltd., Bajrang Ispat Pvt. Ltd.	Jharkhand
84	Kerandari	National Thermal Power Ltd.	Jharkhand
85	Chhatti Bariatu	National Thermal Power Ltd.	Jharkhand
86	Chhati Bariatu South	National Thermal Power Ltd.	Jharkhand
87	Brahmini	National Thermal Power Ltd.+ Coal India Limited JV	Jharkhand
88	Chichro Patsimal	National Thermal Power Ltd.+ Coal India Limited JV	Jharkhand
89	Pachwara Central	Punjab State Electricity Board	Jharkhand
90	Mahal	Rashtriya Ispat Nigam Limited	Jharkhand
91	Tenughat-Jhirki	Rashtriya Ispat Nigam Limited	Jharkhand
92	Bundu	Rungta Mines Limited	Jharkhand
93	Mednirai	Rungta Mines Limited, Kohinoor Steel (P) Ltd.	Jharkhand
94	Choritand Tiliaya	Rungta Mines Limited, Sunflag Iron & Steel Co. Ltd.	Jharkhand
95	Sitanala	Steel Authority of India Ltd.	Jharkhand
96	Ganeshpur	Tata Steel Ltd., Adhunik Thermal Energy	Jharkhand
97	Badam	Tenughat Vidyut Nigam Limited	Jharkhand

1	2	3	4
98	Rajbar E&D	Tenughat Vidyut Nigam Limited	Jharkhand
99	Gondulpara	Tenughat Vidyut Nigam Limited, Damodar Valley Corporation	Jharkhand
100	Kotre-Basantpur	Tata Iron and Steel Co. Ltd. (Now Tata Steel Ltd.)	Jharkhand
101	Pachmo	Tata Iron and Steel Co. Ltd. (Now Tata Steel Ltd.)	Jharkhand
102	Lohari	Usha Martin Ltd.	Jharkhand
103	Kathautia	Usha Martin Ltd.	Jharkhand
104	Pachwara North	West Bengal Power Development Corporation Limited (WBPDC)	Jharkhand
105	Suliyari	Andhra Pradesh Mineral Development Corporation	Madhya Pradesh
106	Bikram	Birla Corporation Ltd.	Madhya Pradesh
107	Gotitoria (East)	BLA Industries Ltd.	Madhya Pradesh
108	Gotitoria (West)	BLA Industries Ltd.	Madhya Pradesh
109	Mahan	Essar Power Ltd., Hindalco Industries Ltd.	Madhya Pradesh
110	Mandla North	Jaiprakash Associates Ltd.	Madhya Pradesh
111	Urtan North	Jindal Steel & Power Ltd., Monet Ispat and Energy Ltd.	Madhya Pradesh
112	Thesgora-B/ Rudrapuri	Kamal Sponge Steel & Power Limited, Revati Cement P. Ltd.	Madhya Pradesh
113	Amelia	Madhya Pradesh State Mining Corporation	Madhya Pradesh
114	Amelia (North)	Madhya Pradesh State Mining Corporation	Madhya Pradesh
115	Mandla South	Madhya Pradesh State Mining Corporation Ltd.	Madhya Pradesh
116	Dongeri Tal-II	Madhya Pradesh State Mining Corporation Ltd. (MPSMC)	Madhya Pradesh
117	Marki Barka	Madhya Pradesh State Mining Corporation (MPSMC)	Madhya Pradesh
118	Semaria/Piparia	Madhya Pradesh State Mining Corporation (MPSMC)	Madhya Pradesh
119	Bicharpur	Madhya Pradesh State Mining Corporation Ltd. (MPSMC)	Madhya Pradesh
120	Tandsi-III & Tandsi -III (Extn.)	Mideast Integrated Steels Ltd.	Madhya Pradesh
121	Sahapur East	National Mineral Dev. Corp.	Madhya Pradesh
122	Sahapur West	National Mineral Dev. Corp.	Madhya Pradesh
123	Mara II Mahan	NCT of Delhi, Delhi, Haryana Power Generation Corp. Ltd. (HPGCL)	Madhya Pradesh
124	Sial Ghoghri	Prism Cement Limited	Madhya Pradesh
125	Brahampuri	Pushp Steel and Mining Ltd.	Madhya Pradesh
126	Rawanwara North	SKS Ispat Limited	Madhya Pradesh
127	Bander	AMR Iron & Steels Pvt. Ltd., Century Textiles & Industries Ltd., J.K.Cement Ltd.	Maharashtra
128	Marki Mangli-I	B.S. Ispat Ltd.	Maharashtra
129	Takli-Jena- Bellora (North) & Takli-Jena- Bellora (South)	Central Collieries Co. Ltd. and Lloyds Metals & Engineering Ltd.	Maharashtra
130	Dahegaon/ Makard hokra- IV	IST Steel & Power Ltd., Gujarat Ambuja Cement Ltd., Lafarge India Pvt. Ltd.	Maharashtra
131	Gondkhari	Maharashtra Seamless Limited, Dhariwal Infrastructure (P) Ltd., Kesoram Industries Ltd.	Maharashtra

1	2	3	4
132	Marki-Zari-Jamani-Adkoli	Maharashtra State Mining Corpn. Ltd.	Maharashtra
133	Lohara (East)	Murli Industries Ltd., Grace Industries Ltd.	Maharashtra
134	Khappa & Extn.	Sunflag Iron & Steel Ltd., Dalmia Cement (Bharat) Ltd.	Maharashtra
135	Lohara West Extn.	Adani Power Ltd.	Maharashtra
136	Warora West (North)	Bhatia International Ltd.	Maharashtra
137	Kosar Dongergaon	Chaman Metaliks Ltd.	Maharashtra
138	Warora (West) Southern Part	Fieldmining & Ispat Ltd.	Maharashtra
139	Chinora	Fieldmining & Ispat Ltd.	Maharashtra
140	Majra	Gondwana Ispat Ltd.	Maharashtra
141	Nerad Malegaon	Gupta Metaliks & Power Ltd., Gupta Coalfields & Washeries Ltd.	Maharashtra
142	Baranj - I	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
143	Baranj - II	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
144	Baranj - III	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
145	Baranj - IV	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
146	Kiloni	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
147	Manora Deep	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
148	Agarzari	Maharashtra State Mining Corporation Limited (MSMCL)	Maharashtra
149	Warora	Maharashtra State Mining Corporation Limited (MSMCL)	Maharashtra
150	Bhandak West	Shree Baidyanath Ayurved Bhawan Ltd.	Maharashtra
151	Marki Mangli-II	Shree Veerangana Steel Limited.	Maharashtra
152	Marki Mangli-III	Shree Veerangana Steel Limited.	Maharashtra
153	Marki Mangli-IV	Shree Veerangana Steel Limited.	Maharashtra
154	Belgaon	Sunflag Iron & Steel Co. Ltd.	Maharashtra
155	Mandakini B	Assam Mineral Dev. Corporation Ltd., Meghalaya Mineral Dev. Corp., Tamil Nadu Electricity Board, Orissa Mining Corporation Ltd.	Orissa
156	New Patrapara	Bhushan Steel & Strips Ltd., Adhunik Metaliks Ltd., Deepak Steel & Power Ltd., Adhunik Corp. Ltd., Orissa Sponge Iron Ltd., SMC Power Generation Ltd., Sree Metaliks Ltd., Visa Steel Ltd.	Orissa
157	Bijahan	Bhushan Ltd., Shri Mahavir Ferro Alloys Pvt. Limited	Orissa
158	Jamkhani	Bhushan Ltd.	Orissa
159	Naini	Gujarat Mineral Development Corporation, Pondichery Industrial Promotion Development and Investment Corporation Limited	Orissa
160	Mahanadi	Gujarat State Electricity Corporation Limited, Maharashtra State Electricity Board	Orissa
161	Machhakata	Gujarat State Electricity Corporation Limited, Maharashtra State Electricity Board	Orissa
162	Talabira-I	Hindalco Industries Ltd.	Orissa
163	Ramchandi Promotion Block	Jindal Steel & Power Limited	Orissa

1	2	3	4
164	Utkal B 1	Jindal Steel & Power Ltd	Orissa
165	Baitarni West	Kerala State Electricity Board, Orissa Hydro Power Corp., Gujarat Power Corporation Ltd.	Orissa
166	Talabira II & III	Mahanadi Coalfields Ltd.(MCL), Neyveli Lignite Corporation Ltd., Hindalco Industries Ltd.	Orissa
167	Utkal-A	Mahanadi Coalfields Ltd.(MCL), JSW Steels Ltd., Jindal Thermal Power Comp. Ltd., Jindal Stainless Steels Ltd., Shyam DRI Ltd.	Orissa
168	Utkal-B2	Monet Ispat Ltd.	Orissa
169	Mandakini	Monet Ispat Energy Ltd., Jindal Photo Ltd., Tata Power Company Ltd.	Orissa
170	Utkal 'E'	National Aluminium Corporation	Orissa
171	Dulanga	National Thermal Power Corporation	Orissa
172	Utkal-D	Orissa Mining Corporation	Orissa
173	Nuagaon Telisahi	Orissa Mining Corporation, Andhra Pradesh Mineral Development (APMDC)	Orissa
174	Manoharpur	Orissa Power Generation Corporation	Orissa
175	Dipside Manoharpur	Orissa Power Generation Corporation	Orissa
176	Radhikapur(West)	Rungta Mines Limited, OCL India Ltd., Ocean Ispat Ltd.	Orissa
177	Rampia	Sterlite Energy Ltd.,(IPP), GMR Energy Ltd. (IPP), Arcelor Mittal India Ltd. (CPP), Lanco Group Ltd. (IPP), Navbharat Power Pvt. Ltd. (IPP), Reliance Energy Ltd. (IPP)	Orissa
178	Dip Side of Rampia	Sterlite Energy Ltd., (IPP),GMR Energy (IPP), Arcelor Mittal India Ltd. (CPP), Lanco Group Ltd. (IPP), Navbharat Power Pvt. Ltd. (IPP), Reliance Energy Ltd. (IPP)	Orissa
179	North of Arkhupal Srirampur	Strategic Energy Technology Systems Limited (SETSL)	Orissa
180	Radhikapur(East)	Tata Sponge Iron Ltd,Scaw Industries Ltd., SPS Sponge Iron Ltd.	Orissa
181	Chendipada,	Uttar Pradesh Rajya Vidut Utpadan Limited , Chattishgarh Mineral Development Corporation Limited, Maharashtra State Power Generation Corporation Ltd.	Orissa
182	Chendipada-II	Uttar Pradesh Rajya Vidut Utpadan Limited, Chattishgarh Mineral Development Corporation Limited , Maharashtra State Power Generation Corporation Ltd.	Orissa
183	Utkal-C	Utkal Coal Ltd.(formerly ICCL)	Orissa
184	Biharinath	Bankura DRI Mining Manufacturers Co. Pvt. Ltd.	West Bengal
185	Andal East	Bhushan Steel Ltd., Jai Balaji Industries Ltd., Rashmi Cement Ltd.	West Bengal
186	Barjora (North)	Damodar Valley Corporation	West Bengal
187	Kagra Joydev	Damodar Valley Corporation	West Bengal
188	Kasta (East)	Damodar Valley Corporation	West Bengal
189	Gourangdih ABC	Himachal EMTA Power Ltd., JSW Steel Ltd.	West Bengal
190	Moira-Madhujore	Ramsarup Lohh Udyog Ltd., Adhunik Corporation Ltd., Uttam Galva Steels Ltd., Howrah Gases Ltd., Vikas Metal & Power Ltd., ACC Ltd.	West Bengal
191	Sarisatolli	Calcutta Electricity Supply Corporation Ltd.,	West Bengal

1	2	3	4
192	Ardhagram	Sova Ispat Limited, Jaibalaji Sponge Ltd.	West Bengal
193	Tara (West)	West Bengal Power Development Corporation Limited (WBPDCCL)	West Bengal
194	Gangaramchak	West Bengal Power Development Corporation Limited (WBPDCCL)	West Bengal
195	Barjora	West Bengal Power Development Corporation Limited (WBPDCCL)	West Bengal
196	Gangaramchak-Bhadulia	West Bengal Power Development Corporation Limited (WBPDCCL)	West Bengal
197	Tara (East)	West Bengal State Electricity Board	West Bengal
198	Jaganathpur B	West Bengal Mineral Development & Trading Corp.	West Bengal
199	Sitarampur	West Bengal Mineral Dev. & Trading Corp. Ltd.	West Bengal
200	Trans Damodar	West Bengal Mineral Dev. & Trading Corp. Ltd.	West Bengal
201	Ichhapur	West Bengal Mineral Dev. & Trading Corp. Ltd.	West Bengal
202	Kulti	West Bengal Mineral Dev. & Trading Corp. Ltd.	West Bengal
203	Jaganathpur A	West Bengal Mineral Dev. & Trading Corp. Ltd.	West Bengal
204	East of Damogoria (Kalyaneshwari)	West Bengal Power Development Corporation Limited (WBPDCCL)	West Bengal

SCHEDULE II
[See section 3(I)(g)]

Sl. No.	Name of Coal Mine/Block	Name of Prior Allottee	State where Coal Mine/Block Located
1	2	3	4
1	Namchik Namphuk	Arunachal Pradesh Mineral Dev. & Trading Corporation	Arunachal Pradesh
2	Gare-Palma-IV/4	Jayaswal Neco Ltd.	Chhattisgarh
3	Gare-Palma-IV/2	Jindal Power Ltd. (Now Jindal Steel & Power Ltd.)	Chhattisgarh
4	Gare-Palma-IV/3	Jindal Power Ltd. (Now Jindal Steel & Power Ltd.)	Chhattisgarh
5	Gare-Palma-IV/1	Jindal Strips Limited (Now Jindal Steel & Power Ltd.)	Chhattisgarh
6	Gare-Palma-IV/5	Monet Ispat Ltd.	Chhattisgarh
7	Chotia	Prakash Industries Ltd.	Chhattisgarh
8	Gare-Palma-IV/7	Raipur Alloys & Steel Ltd. (Now Sarda Energy and Mineral Limited)	Chhattisgarh
9	Parsa East	Rajasthan Rajya Vidyut Utpadan Nigam Ltd. (RRVUNL)	Chhattisgarh
10	Kanta Basan	Rajasthan Rajya Vidyut Utpadan Nigam Ltd. (RRVUNL)	Chhattisgarh
11	Parbatpur-Central	Electrosteel Castings Ltd.	Jharkhand
12	Tokisud North	GVK Power (Govindwal Sahib) Ltd.	Jharkhand
13	Pachwara Central	Punjab State Electricity Board	Jharkhand
14	Kathautia	Usha Martin Ltd.	Jharkhand
15	Pachwara North	West Bengal Power Development Corporation Limited (WBPDCCL)	Jharkhand
16	Gotitoria (East)	BLA Industries Ltd.	Madhya Pradesh
17	Gotitoria (West)	BLA Industries Ltd.	Madhya Pradesh
18	Mandla North	Jaiprakash Associates Ltd.	Madhya Pradesh
19	Amelia (North)	Madhya Pradesh State Mining Corporation	Madhya Pradesh
20	Bicharpur	Madhya Pradesh State Mining Corporation Ltd.(MPSMC)	Madhya Pradesh
21	Sial Ghoghri	Prism Cement Limited	Madhya Pradesh
22	Marki Mangli-I	B.S. Ispat Ltd.	Maharashtra
23	Baranj - I	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
24	Baranj - II	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
25	Baranj - III	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
26	Baranj - IV	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
27	Kiloni	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
28	Manora Deep	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
29	Marki Mangli-II	Shree Veerangana Steels Limited.	Maharashtra
30	Marki Mangli-III	Shree Veerangana Steels Limited.	Maharashtra
31	Belgaon	Sunflag Iron & Steel Co. Ltd	Maharashtra
32	Talabira-I	Hindalco Industries Ltd.	Orissa
33	Barjora (North)	Damodar Valley Corporation	West Bengal
34	Kagra Joydev	Damodar Valley Corporation	West Bengal
35	Sarisatolli	Calcutta Electricity Supply Corporation Ltd,	West Bengal
36	Ardhagram	Sova Ispat Limited, Jaibalaji Sponge Ltd.	West Bengal

1	2	3	4
37	Tara (West)	West Bengal Power Development Corporation Limited (WBPDC)	West Bengal
38	Gangaramchak	West Bengal Power Development Corporation Limited (WBPDC)	West Bengal
39	Barjora	West Bengal Power Development Corporation Limited (WBPDC)	West Bengal
40	Gangaramchak-Bhadulia	West Bengal Power Development Corporation Limited (WBPDC)	West Bengal
41	Tara (East)	West Bengal State Electricity Board	West Bengal
42	Trans Damodar	West Bengal Mineral Dev. & Trading Corp. Ltd.	West Bengal

SCHEDULE III
[See section 3(I)(r)]

Sl. No.	Name of Coal Mine/Block	Name of Prior Allottee	State where Coal Mine/Block Located
1	2	3	4
1	Durgapur-II/ Taraimar	Bharat Aluminium Company Ltd.	Chhattisgarh
2	Durgapur-II/Sarya	DB Power Ltd.	Chhattisgarh
3	Gare-Palma Sector-III	Goa Industrial Development Corporation	Chhattisgarh
4	Gare-Palma IV/8	Jayaswal Neco Ltd.	Chhattisgarh
5	Talaipali	National Thermal Power Ltd.	Chhattisgarh
6	Chatti Bariatu	National Thermal Power Ltd.	Jharkhand
7	Mahan	Essar Power Ltd., Hindalco Industries Ltd.	Madhya Pradesh
8	Mandla South	Madhya Pradesh State Mining Corporation Ltd.	Madhya Pradesh
9	Dongeri Tal-II	Madhya Pradesh State Mining Corporation Ltd. (MPSMC)	Madhya Pradesh
10	Kosar Dongergaon	Chaman Metaliks Ltd.	Maharashtra
11	Nerad Malegaon	Gupta Metallics & Power Ltd., Gupta Coalfields & Washeries Ltd.	Maharashtra
12	Marki Mangli-IV	Shree Veerangana Steel Limited.	Maharashtra
13	Jamkhani	Bhushan Ltd.	Orissa
14	Utkal B 1	Jindal Steel & Power Ltd.	Orissa
15	Utkal-B 2	Monet Ispat Ltd.	Orissa
16	Mandakini	Monet Ispat Energy Ltd., Jindal Photo Ltd., Tata Power Company Ltd.	Orissa
17	Utkal-C	Utkal Coal Ltd. (formerly ICCL)	Orissa
18	Brinda	Abhijeet Infrastructure Pvt. Ltd.	Jharkhand
19	Sasai	Abhijeet Infrastructure Pvt. Ltd.	Jharkhand
20	Meral	Abhijeet Infrastructure Pvt. Ltd.	Jharkhand
21	Moitra	Jayaswal Neco Ltd.	Jharkhand
22	Jitpur	Jindal Steel & Power Ltd.	Jharkhand
23	Rohne	JSW Steel Ltd., Bhushan Power & Steel Ltd., Jai Balaji Industries Ltd.	Jharkhand
24	Dumri	Nilachal Iron & Power Ltd., Bajrang Ispat Pvt. Ltd.	Jharkhand
25	Kerandari	National Thermal Power Ltd.	Jharkhand
26	Sitanala	Steel Authority of India Ltd.	Jharkhand
27	Ganeshpur	Tata Steel Ltd., Adhunik Thermal Energy	Jharkhand
28	Badam	Tenughat Vidyut Nigam Limited	Jharkhand
29	Tara	Chhattisgarh Mineral Development Corporation Ltd.	Chhattisgarh
30	Lohari	Usha Martin Ltd.	Jharkhand
31	Dulanga	National Thermal Power Corporation	Orissa
32	Manoharpur	Orissa Power Generation Corporation	Orissa

SCHEDULE IV

(See section 28)

PART A

THE COAL MINES (NATIONALISATION) ACT, 1973

(26 OF 1973)

1. In the Coal Mines (Nationalisation) Act, 1973 (herein referred to as the principal Act), in sub-section (1) of section 1A, after the word and figure "section 3", the word, figure and letter ", section 3A" shall be inserted.

Amendment of section 1A.

2. After section 3 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 3A.

'3A. (1) Notwithstanding anything contained in this Act, any person being—

Mining operation by company and others.

(a) a Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be, or any other company incorporated in India; or

(b) a company or a joint venture company formed by two or more companies,

may carry on coal mining operations in India, in any form either for own consumption, sale or for any other purpose in accordance with the prospecting licence or mining lease, as the case may be.

(2) The Central Government may, with a view to rationalise such coal mines so as to ensure the coordinated and scientific development and utilisation of coal resources consistent with the growing requirements of the country, from time to time, prescribe—

(i) the coal mines or coal bearing areas and their location;

(ii) the minimum size of the coal mine or coal bearing areas;

(iii) such other conditions,

which in the opinion of that Government may be necessary for the purpose of coal mining operations or mining for sale by a company.

Explanation.—For the purposes of this section, "company" means a company as defined in clause (20) of section 2 of the Companies Act, 2013.'. 18 of 2013.

3. In section 34 of the principal Act, in sub-section (2), after clause (a), the following clause shall be inserted, namely:—

Amendment of section 34.

"(aa) the coal mines or coal bearing areas and their location, the minimum size of the coal mine or coal bearing areas, and such other conditions which may be necessary for the purpose of coal mining operations including mining for sale by a company under sub-section (2) of section 3A."

PART B

THE MINES AND MINERALS (DEVELOPMENT AND REGULATION) ACT, 1957

(67 OF 1957)

1. In the Mines and Minerals (Development and Regulation) Act, 1957 (herein referred to as the principal Act), for section 11A, the following section shall be substituted, namely:—

Substitution of new section for section 11A.

Granting of
reconnaissance
permit,
prospecting
licence or
mining lease

11A. (1) Notwithstanding anything contained in this Act, the Central Government may, for the purpose of granting reconnaissance permit, prospecting licence or mining lease in respect of any area containing coal or lignite, select any of the following companies through auction by competitive bidding, on such terms and conditions as may be prescribed, namely:—

(a) a Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be, or any other company incorporated in India; or

(b) a company or a joint venture company formed by two or more companies,

may carry on coal mining operations in India, in any form either for own consumption, sale or for any other purpose in accordance with the permit, prospecting licence or mining lease, as the case may be.

(2) The Central Government may, with a view to rationalise coal and lignite mines referred to in sub-section (1), so as to ensure the coordinated and scientific development and utilisation of resources consistent with the growing requirements of the country, from time to time, prescribe—

(i) the details of mines and their location;

(ii) the minimum size of such mines;

(iii) such other conditions,

which in the opinion of that Government may be necessary for the purpose of mining operations or mining for sale by a company.

(3) The State Government shall grant such reconnaissance permit, prospecting licence or mining lease in respect of any area containing coal or lignite to such company as selected through auction by competitive bidding or otherwise under this section:

Provided that the auction by competitive bidding under this section shall not be applicable to an area containing coal or lignite—

(a) where such area is considered for allocation to a Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be;

(b) where such area is considered for allocation to a company or corporation or that has been awarded a power project on the basis of competitive bids for tariff (including Ultra Mega Power Projects).

Explanation.—For the purposes of this section, "company" means a company as defined in clause (20) of section 2 of the Companies Act, 2013.¹

18 of 2013.

Amendment
of section
13.

2. In section 13 of the principal Act, in sub-section (2), for clause (d), the following clause shall be substituted, namely:—

"(d) the terms and conditions of auction by competitive bidding, the details of mines and their location, the minimum size of such mines and such other conditions which may be necessary for the purpose of coal mining operations including mining for sale by a company under sub-section (1) and sub-section (2) of section 11A."

STATEMENT OF OBJECTS AND REASONS

Hon'ble Supreme Court in Writ Petition (Criminal) No. 120 of 2012 (Manoharlal Sharma Vs. Principal Secretary & Ors.) and Writ Petition (Civil) No. 463 of 2012 (Common Cause Vs. UOI & Ors.) and other connected Public Interest Litigations, *vide* its judgment dated 25th August, 2014 has held that allocation of coal blocks made through the Screening Committee and Government Dispensation route as arbitrary and illegal. The Supreme Court pronounced its order on 24th September, 2014 cancelling allocation of 204 coal blocks out of a total of 218 allocated since 1993. In case of 42 coal blocks (37 producing and 5 ready to produce), cancellation will take effect from 31st March, 2015 and in respect of the others, with immediate effect. The Court has also directed that an additional levy of Rs.295/- per metric ton be paid by these 42 coal block allocatees for the coal extracted since commencement of production till 31st March, 2015.

2. In light of the judgment and order of the Hon'ble Supreme Court, it was considered expedient in public interest by the Central Government to take immediate action so as to ensure energy security of the country. The need for promulgation of the Ordinance was felt to overcome the acute shortage of coal in core sectors such as steel, cement and power utilities, which are vital for the development of the country. Further, to mitigate the hardships on household consumers, medium and small enterprises, cottage industries, as well as to overcome the overall shortage of coal in the country and augment its production by allocating coal mines to new allocatees, the Coal Mines (Nationalisation) Act, 1973 was amended by inserting section 3A and the Mines and Minerals (Development and Regulation) Act, 1957 was amended by inserting section 11A, thereby removing the restriction of end use from the eligibility to undertake coal mining, in the national interest.

3. As Parliament was not in session and immediate action was required to be taken by the Central Government to implement the judgment and order of the Supreme Court and to address the above objectives, an Ordinance namely, the Coal Mines (Special Provisions) Ordinance, 2014 was promulgated by the President on 21st October, 2014 under article 123 of the Constitution.

4. Subsequent to the promulgation of the aforesaid Ordinance, certain issues were raised and after considering all such issues, it has been decided to include certain additional provisions in the Bill replacing the Ordinance and accordingly to modify the Ordinance.

5. The Bill provides for allocation of coal mines and vesting of the right, title and interest in and over the land and mine infrastructure together with mining leases to successful bidders and allottees through a transparent bidding process with a view to ensure continuity in coal mining operations and production of coal, and for promoting optimum utilisation of coal resources consistent with the requirement of the country in national interest. Further the Bill, having regard to the coordinated and scientific development and utilisation of coal resources consistent with the growing requirement of the country, prescribe the conditions to rationalise the coal sector for mining operations, consumption and sale.

6. The notes on clauses explain in detail the various provisions contained in the Bill.

7. The Bill seeks to achieve the above objectives.

PIYUSH GOYAL.

NEW DELHI;
The 5th December, 2014.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE
CONSTITUTION OF INDIA

[Copy of letter F. No. 54018/2/2014-CA-II dated 5 December, 2014 from Shri Piyush Goyal, Minister of State (IC) for Coal, Power and MNRE to the Secretary-General, Lok Sabha]

The President, having been informed of the subject matter of the proposal Coal Mines (Special Provisions) Bill, 2014, recommends to the House the introduction and consideration of the Bill under article 117(1) and (3) of the Constitution of India.

Notes on Clauses

Clause 1.—This clause provides the short title and commencement of the proposed legislation.

Clause 2.—This clause is a declaration as to expediency of Union action.

Clause 3.—This clause provided for the definition of the expressions words used in the proposed legislation.

Clause 4.—This clause provides for eligibility to participate in auction and payment of fees.

Clause 5.—This clause empowers the Central Government to allot a Schedule - I Coal mine to a Government company or corporation.

Clause 6.—This clause provides the Central Government to act through a nominated authority and its powers and functions.

Clause 7.—This clause empowers the Central Government to classify certain Schedule-I coal mines.

Clause 8.—This clause empowers the nominated authority to issue vesting order or allotment order in respect of Schedule I and Schedule II coal mines in the manner as prescribed therein.

Clause 9.—This clause provides that the proceeds arising out of land and mine infrastructure in relation to a Schedule I coal mine shall be disbursed maintaining, *inter alia*, the priority of payments in accordance with such rules as may be prescribed.

Clause 10.—This clause provides for the procedure for utilisation of movable property used in coal mining operation in the manner as prescribed therein.

Clause 11.—This clause provides for discharge or adoption of third party contracts with prior allottees.

Clause 12.—This clause provides for provisions in relation to secured creditors.

Clause 13.—This clause provides that any and all alienations of land and mine infrastructure and creation of any encumbrances of whatsoever nature thereon which relate to the Schedule I coal mines, made by any prior allottee after the 25th day of August, 2014 shall be void, save and except any registered security interest and charge over the land and mine infrastructure as registered by a bank or a financial institution or any other secured lender.

Clause 14.—This clause provides for liabilities of prior allottees.

Clause 15.—This clause empowers the Central Government to appoint a Commissioner of payments for the purposes of disbursing the amounts payable to prior allottees of the Schedule I coal mines. Sub-clauses provide the powers and functions of the said Commissioner.

Clause 16.—This clause provides for the valuation of compensation for payment to prior allottee.

Clause 17.—This clause provides that on and from the appointed date, the Central Government or a company owned by the Central Government shall be deemed to have become the lessee or licensee of the State Government in relation to each of the Schedule II coal mines, in respect of which a mining lease or prospecting license has been granted prior to the date of commencement of the proposed legislation, as if a mining lease or prospecting license in relation to such coal mine had been granted to the Central Government or a company owned by the Central Government and the period of such lease or license shall be the maximum period for which such lease or license could have been granted by the State Government under the Mineral Concession Rules, 1960, and thereupon all the rights under such mining lease, including surface, underground and other rights shall be deemed to have been transferred to, and vested in, the Central Government or a company owned by the Central Government.

Clause 18.—This clause provides that on and from the appointed date, if the auction or allotment of Schedule I coal mines is not complete, the Central Government shall appoint any person as a designated custodian for such coal mines as may be notified by the Central Government to manage and operate such notified coal mines.

Clause 19.—This clause and its sub-clauses provide for the powers and functions of the designated custodian in respect of Schedule II coal mines.

Clause 20.—This clause provides that a successful bidder or allottee or coal linkage holder shall, with prior approval of the Central Government and in accordance with such rules as may be prescribed, be entitled to enter into certain agreements or arrangements with other successful bidder or allottee or coal linkage holder, as the case may be, for optimum utilisation of coal mine for the same end uses in the public interest and to achieve cost efficiencies. It further provides that a successful bidder or allottee may also use the coal mine from a particular Schedule I coal mine for any of its plants engaged in common specified end uses, in accordance with such rules as may be prescribed.

Clause 21.—This clause provides for the procedure for acquisition of land.

Clause 22.—This clause provides for realisation of additional levy from the prior allottee of Schedule II coal mine.

Clause 23.—This clause provides for penalties for certain offences.

Clause 24.—This clause provides for penalty for failure to comply with the directions of the Central Government.

Clause 25.—This clause provides for the procedure for penalty against the offences committed by a company.

Clause 26.—This clause provides that no court shall take cognizance of any offence punishable under this Bill or any rules made thereunder except upon complaint in writing made by a person authorised in this behalf by the Central Government or nominated authority or the designated custodian.

Clause 27.—This clause provides an alternate dispute resolution forum for barring the jurisdiction of civil courts and other courts (except the Supreme Court and High Courts) in relation to any matter connected with the proposed legislation.

Clause 28.—This clause provides for protection of action taken in good faith by the Central Government, nominated authority, Commissioner of payment, or designated custodian or any person acting on their behalf.

Clause 29.—This clause provides that the provisions of the proposed legislation shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any such law.

Clause 30.—This clause provides that on and from the date of commencement of the proposed legislation, the Coal Mines (Nationalisation) Act, 1973 and the Mines and Minerals (Development and Regulation) Act, 1957 shall stand amended in the manner as provided therein.

Clause 31.—This clause provides that the Central Government may, by notification in the Official Gazette, and subject to the condition of previous publication, make rules for carrying out the provisions of the proposed legislation.

Clause 32.—This clause provides that if any difficulty arises in giving effect to the provisions of the proposed legislation, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of the proposed legislation, as appear to it to be necessary or expedient for removing the difficulty, provided that no such order shall be made after the expiry of a period of two years from the date of commencement of the proposed legislation and every order made under this clause shall be laid before each House of Parliament.

FINANCIAL MEMORANDUM

Sub-clause (1) of clause 6 of the Bill provides that the Central Government shall appoint an officer not below the rank of Joint Secretary to the Government of India as the nominated authority who shall act for and on behalf of the Central Government for the purposes of the proposed legislation.

2. Sub-clause (2) of clause 6 provides that the nominated authority may engage any expert having such qualifications and experience to make recommendations to the authority for the conduct of auction and in drawing up of the vesting order or allotment order in relation to the Schedule I coal mines.

3. Sub-clause (6) of clause 6 provides for the salaries and allowances and other terms and conditions of service of the nominated authority and such other officers and staff appointed thereunder.

4. Sub-clause (1) of clause 15 provides that for the purposes of disbursing the amounts payable to prior allottees of the Schedule I coal mines, the Central Government shall appoint an officer not below the rank of Joint Secretary to the Government of India, to be the Commissioner of payments.

5. Sub-clause (2) of clause 15 provides that the Central Government may appoint such other officers and staff as it may think fit to assist the Commissioner and thereupon the Commissioner may authorise one or more of such officers to also exercise all or any of the powers exercisable by him under this Bill.

6. Sub-clause (4) of clause 15 provides for the salaries and allowances and other terms and conditions of service of the Commissioner and other officers and staff appointed thereunder.

7. The manpower requirement and the total financial implication in terms of recurring and non-recurring expenditure as well as the modalities involved would however, be determined after appointment of the nominated authority or Commissioner of payments. Hence, it would be difficult to work out the exact expenditure, both recurring and non-recurring at this stage.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Sub-clause (1) of clause 29 of the Bill empowers the Central Government to make rules by notification in the Official Gazette, subject to the condition of previous publication for carrying out the provisions of the Bill for all or any of the matters as specified under sub-clause (2) which includes the manner of allocation of Schedule I coal mines by way of public auction and details of fees under sub-section (1) of section 4; the terms and conditions for granting reconnaissance permit, prospecting licence or mining lease and the manner and conditions of competitive bidding under sub-section (2) of section 4; norms to become eligible to bid in an auction and the amount of investment in respect of a company having a coal linkage under sub-section (3) of section 4; the period within which the payment of additional levy by the prior allottee under sub-section (4) of section 4; the allotment order to make allocations to a Government company or corporation under sub-section (3) of section 5; the powers of the nominated authority under sub-section (1) of section 6; the powers of the nominated authority under sub-section (2) of section 6; the powers of the nominated authority under sub-section (4) of section 6; the salaries and allowances and other terms and conditions of service of the nominated authority and other officers and staff under sub-section (6) of section 6; the manner of notifying the particulars of Schedule I coal mines to be auctioned and furnishing of required information by the prior allottees under sub-section (1) of section 8; the manner of conducting auction and drawing of a vesting order under sub-section (3) of section 8; the determination of floor price or reserve price by the nominated authority under sub-section (5) of section 8; the form and manner of furnishing of bank guarantee and the time within which such furnishing of bank guarantee under sub-section (6) of section 8; the manner of disbursement of priority payments under section 9; the manner of establishing title of movable property by the prior allottee or third party who has a contract with the prior allottee for the movable property under the first proviso to sub-section (5) of section 10; the manner of receiving compensation from the sale proceeds of the movable property under the second proviso to sub-section (5) of section 10; the manner in which the secured creditor paid out of the compensation in respect of any prior allottee under sub-section (2) of section 12; the manner of collection of additional levy by the Central Government from the prior allottees of Schedule II coal mines under sub-section (5) of section 14; the salaries and allowances and other terms and conditions of service of the Commissioner of payments and other officers and staff under sub-section (4) of section 15; the manner of determination of compensation payable to prior allottee and the lodging of registered sale deeds with the nominated authority under sub-section (1) of section 16; the method of determination of compensation for mine infrastructure in relation to Schedule I and its reflection in the statutorily audited balance sheet under sub-section (2) of section 16; the manner of transfer of the management and operation of any Schedule II coal mines by the designated custodian under sub-section (6) of section 19; the manner of providing agreements or arrangements for optimum utilisation of coal mined for specified end uses under sub-section (1) of section 20; the manner of usage of coal mine by a successful bidder or allottee for any of its plants under sub-section (2) of section 20; any other matter which is required to be, or may be, prescribed. Sub-clause (3) provides that every such rule made by the Central Government shall be laid before each House of Parliament.

2. Clause 30 of the Bill further empowers the Central Government that if any difficulty arises in giving effect to the provisions of this Bill, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty and every such order made under this clause shall be laid before each House of Parliament.

3. The matters in respect of which the rules may be made are generally matters of procedure and administrative detail and it is not practicable to provide for them in the Bill itself. The delegation of legislative power is, therefore, of a normal character.

Memorandum explaining the modifications contained in the Bill to replace 'The Coal Mines (Special Provisions) Ordinance, 2014'

'The Coal Mines (Special Provisions) Bill, 2014', which seeks to replace the 'The Coal Mines (Special Provisions) Ordinance, 2014', proposes to make the following modifications apart from modifications of consequential or drafting nature in the provisions contained in the said Ordinance, namely:—

(i) In section 3, in sub-section (1), in clause (l), the words "and the expression "notify" shall be construed accordingly" have been omitted.

(ii) In section 3, in sub-section (1), in clause (n), the following *Explanation* has been inserted:—

Explanation.—In case a mining lease has been executed in favour of a third party, subsequent to such allocation of Schedule I coal mines, then, such third party shall also be deemed to be the prior allottee."

(iii) In section 3, in sub-section (1), in clause (r), the word "notified", has been substituted with the words "as may be notified".

(iv) In section 5, in sub-section (1), the words "which is not a joint venture with private company", have been substituted with the words "or to a joint venture between two or more Government companies or corporations".

(v) In section 5, in sub-section (1) after the existing proviso the following provisos have been inserted:—

"Provided further that no company other than a Government company or corporation shall hold more than twenty six per cent. of the paid-up share capital in the Government company or corporation or in the joint venture between a Government company or corporation, either directly or through any of its subsidiary company or associate company:

Provided also that a joint venture of any two or more Government companies or corporations shall be prohibited from alienating or transferring any interest, except by way of taking loans or advances from a bank or financial institution, in the joint venture of whatsoever nature including ownership in favour of a third party."

(vi) In section 5, the sub-section (2) has been omitted.

(vii) In section 6, after sub-section (6), the following sub-section has been inserted:—

"(7) The nominated authority shall be bound by the written direction given by the Central Government on the question of policy."

(viii) In section 8, in sub-section (2), the words "the notification", has been substituted with "such notice".

(ix) In section 9, after the words "in accordance with", the words "the relevant laws and" have been inserted:—

(x) In section 10, in sub-sections (1) and (5) the word "Schedule II", has been substituted with the word "Schedule I".

(xi) In section 18, in sub-section (1), the words "for such coal mines as may be notified by the Central Government to manage and operate such notified coal mines", have been substituted with the words, "to manage and operate such coal mines as may be notified by the Central Government".

(xii) In section 19, after sub-section (6), the following sub-section has been inserted :—

"(7) The designated custodian shall have rights, liabilities and obligations as a prior allottee or a successful bidder in respect of coal mines entrusted to it under section 18, to be exercised and discharged in such manner as may be prescribed."

(xiii) After section 26, the following new sections have been inserted:—

"27. Dispute settlement and bar of jurisdiction of civil courts.— (1) Any dispute arising out of any action of the Central Government, nominated authority or Commissioner of payment or designated custodian, or any dispute between the successful bidder or allottee and prior allottee arising out of any issue connected with the Act shall be adjudicated by the Tribunal constituted under the Coal Bearing Areas (Acquisition and Development) Act, 1957 (20 of 1957).

(2) Where the Central Government is of opinion that any dispute arising out of any issue connected with the Act exists or is apprehended and the dispute should be adjudicated by the Tribunal referred to in sub-section (1), then, the Central Government may by order in writing, refer the dispute or any matter appearing to be connected with, or relevant to, the dispute, to the Tribunal for adjudication.

(3) The Tribunal referred to in sub-section (1) shall, after hearing the parties to the dispute, make an award in writing within a period of ninety days from the institution or reference of the dispute.

(4) On and from the commencement of the Act, no court or other authority, except the Supreme Court and a High Court, shall have, or be entitled to exercise, any jurisdiction, powers or authority, in relation to matters connected with the Act.

28. Protection of action taken in good faith.—No suit, prosecution or other legal proceeding shall lie against the Central Government, nominated authority, Commissioner of payment, or designated custodian or any person acting on their behalf, in respect of anything which is done or intended to be done in good faith under this Act."

(xiv) In section 29, in sub-section (2), after clause (u), the following clause has been inserted as a consequential amendment:—

"(v) the manner of exercising and discharging the rights, liabilities and obligations of the designated authority and the manner of entrusting coal mines to it under sub-section (6) of section 18;"

ANNEXURE

EXTRACTS FROM THE COAL MINES (NATIONALISATION) ACT, 1973

(26 OF 1973)

* * * * *

1A. (1) It is hereby declared that it is expedient in the public interest that the Union should take under its control the regulation and development of coal mines to the extent hereinafter provided in sub-sections (3) and (4) of section 3 and sub-section (2) of section 30.

Declaration as to expediency of Union control.

* * * * *

34. (1)* * * * *

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

Power to make rules.

* * * * *

THE MINES AND MINERALS (DEVELOPMENT AND REGULATION)

ACT, 1957

(67 OF 1957)

* * * * *

11A. The Central Government may, for the purpose of granting reconnaissance permit, prospecting licence or mining lease in respect of an area containing coal or lignite, select, through auction by competitive bidding on such terms and conditions as may be prescribed, a company engaged in,—

Procedure in respect of coal or lignite.

- (i) production of iron and steel;
- (ii) generation of power;
- (iii) washing of coal obtained from a mine; or

(iv) such other end-use as the Central Government may, by notification in the Official Gazette, specify,

and the State Government shall grant such reconnaissance permit, prospecting licence or mining lease in respect of coal or lignite to such company as selected through auction by competitive bidding under this section:

Provided that the auction by competitive bidding shall not be applicable to an area containing coal or lignite,—

(a) where such area is considered for allocation to a Government company or corporation for mining or such other specified end-use;

(b) where such area is considered for allocation to a company or corporation that has been awarded a power project on the basis of competitive bids for tariff (including Ultra Mega Power Projects).

Explanation.—For the purposes of this section, "company" means of a company as defined in section 3 of the Companies Act, 1956 and includes a foreign company within the meaning of section 591 of that Act.

1 of 1956.

* * * * *

13. (1) *

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Power of
Central
Government
to make rules
in respect of
minerals.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

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(d) the terms and conditions of auction by competitive bidding for selection of the company under section 11A;

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LOK SABHA

A

BILL

to provide for allocation of coal mines and vesting of the right, title and interest in and over the land and mine infrastructure together with mining leases to successful bidders and allottees with a view to ensure continuity in coal mining operations and production of coal, and for promoting optimum utilisation of coal resources consistent with the requirement of the country in national interest and for matters connected therewith or incidental thereto.

(Shri Piyush Goyal, Minister of State for Coal)

LOK SABHA

CORRIGENDA

to

THE COAL MINES (SPECIAL PROVISIONS) BILL, 2014

[To be/As introduced in Lok Sabha]

1. Page 3, line 15, -
for "Scheduled I"
read "Schedule I"
2. Page 6, line 29, -
for "to (e)"
read "to (d)"
3. Page 13, line 7, -
for "or other authroiety,"
read "or other authority,"
4. Page 13, line 35, -
for "under sub-section (3)"
read "under sub-section (1)"
5. Page 13, line 38, -
for "under sub-section (5)"
read "under sub-section (4)"
6. Page 29, line 5, -
for "clause provided"
read "clause provides"

NEW DELHI;

December 9, 2014
Agrahayana 18, 1936 (Saka)