

## **2020**

1. The Mineral Laws (Amendment) Ordinance, 2020



# भारत का राजपत्र The Gazette of India

सी.जी.-डी.एल.-अ.-10012020-215322  
CG-DL-E-10012020-215322

असाधारण

EXTRAORDINARY

भाग II — खण्ड 1

PART II — Section 1

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

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सं० 1] नई दिल्ली, शुक्रवार, जनवरी 10, 2020/पौष 20, 1941 (शक)  
No. 1] NEW DELHI, FRIDAY, JANUARY 10, 2020/PAUSHA 20, 1941 (SAKA)

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Separate paging is given to this Part in order that it may be filed as a separate compilation.

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**MINISTRY OF LAW AND JUSTICE**  
(Legislative Department)

*New Delhi, the 10th January, 2020/Pausha 20, 1941 (Saka)*

**THE MINERAL LAWS (AMENDMENT)**  
**ORDINANCE, 2020**

No. 1 OF 2020

Promulgated by the President in the seventieth year of the Republic of India.

*An Ordinance further to amend the Mines and Minerals (Development and Regulation) Act, 1957 and to amend the Coal Mines (Special Provisions) Act, 2015.*

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

## CHAPTER I

## PRELIMINARY

Short title and commencement.

1. (1) This Ordinance may be called the Mineral Laws (Amendment) Ordinance, 2020.

(2) It shall come into force at once.

## CHAPTER II

## AMENDMENTS TO THE MINES AND MINERALS (DEVELOPMENT AND REGULATION) ACT, 1957.

Insertion of new section 4B.

2. In the Mines and Minerals (Development and Regulation) Act, 1957 (hereafter in this Chapter referred to as the principal Act), after section 4A, the following section shall be inserted, namely:—

67 of 1957.

Conditions for efficiency in production.

“4B. Notwithstanding anything contained in section 4A, the Central Government may, in the interest of maintaining sustained production of minerals in the country, prescribe such conditions as may be necessary for commencement and continuation of production by the holders of mining leases who have acquired rights, approvals, clearances and the like under section 8B.”.

Amendment of section 5.

3. In section 5 of the principal Act, in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that the previous approval of the Central Government shall not be required for grant of reconnaissance permit, prospecting licence or mining lease in respect of the minerals specified in Part A of the First Schedule, where,—

(i) an allocation order has been issued by the Central Government under section 11A; or

(ii) a notification of reservation of area has been issued by the Central Government or the State Government under sub-section (1A) or sub-section (2) of section 17A; or

11 of 2015.

(iii) a vesting order or an allotment order has been issued by the Central Government under the provisions of the Coal Mines (Special Provisions) Act, 2015.”

4. In section 8A of the principal Act, in sub-section (4), the following proviso shall be inserted, namely:—

Amendment of section 8A.

“Provided that nothing contained in this section shall prevent the State Governments from taking an advance action for auction of the mining lease before the expiry of the lease period.”

5. After section 8A of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 8B.

“8B. (1) The provisions of this section shall apply to minerals, other than the minerals specified in Part A and Part B of the First Schedule.

Provisions for transfer of statutory clearances.

(2) Notwithstanding anything contained in this Act or any other law for the time being in force, the successful bidder of mining leases expiring under the provisions of sub-sections (5) and (6) of section 8A and selected through auction as per the procedure provided under this Act and the rules made thereunder, shall be deemed to have acquired all valid rights, approvals, clearances, licences and the like vested with the previous lessee for a period of two years:

Provided that subject to such conditions as may be prescribed, such new lessee shall apply and obtain all necessary rights, approvals, clearances, licences and the like within a period of two years from the date of grant of new lease.

(3) Notwithstanding anything contained in any other law for the time being in force, it shall be lawful for the new lessee to continue mining operations on the land, in which mining operations were being carried out by the previous lessee, for a period of two years from the date of commencement of the new lease.”

6. In section 10C of the principal Act, in sub-section (2), the following shall be inserted, namely:—

Amendment of section 10C.

“Provided that the holder of non-exclusive reconnaissance permit who carries out the prescribed level of exploration in respect of deep seated minerals or such minerals as may be notified by the Central Government, may submit an application to the State Government for the grant of any prospecting licence-cum-mining lease as per the procedure laid down under section 11 or a mining lease as per the procedure laid down under section 10B and with a view to increase the reconnaissance and prospecting operations of such minerals, the Central Government shall prescribe such procedure, including the bidding parameters for selection of such holders.

*Explanation.*—For the purposes of this sub-section, the expression “deep seated minerals” means such minerals which occur at a depth of more than three hundred meters from the surface of land with poor surface manifestations.”.

Amendment of section 11A.

7. In section 11A of the principal Act,—

(i) in the marginal heading, after the words “or mining lease”, the words “or prospecting licence-cum-mining lease in respect of coal or lignite” shall be inserted;

(ii) in sub-section (1)—

(a) in the opening portion, for the words “in respect of an area containing coal or lignite”, the words “or prospecting licence-cum-mining lease in respect of coal or lignite” shall be substituted;

(b) for the long line, the following long line shall be substituted, namely:—

“to carry on coal or lignite reconnaissance or prospecting or mining operations, for own consumption, sale or for any other purpose as may be determined by the Central Government”;

(c) the following proviso shall be inserted, namely:—

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

(a) where such area is considered for allotment 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, for own consumption, sale or for any other purpose as may be determined by the Central Government;

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

(iii) in sub-section (3),—

(a) after the words “mining lease”, the words “or prospecting licence-cum-mining lease” shall be inserted;

(b) for the words “competitive bidding or otherwise”, the words “competitive bidding or through allotment” shall be substituted.

8. In section 13 of the principal Act, in sub-section (2),—

Amendment of section 13.

(i) after clause (a), the following clauses shall be inserted, namely:—

(aa) the conditions as may be necessary for commencement and continuation of production by the holders of mining leases, under section 4B;

(ab) the conditions to be fulfilled by the new lessee for obtaining all necessary rights, approvals, clearances, licences and the like under the proviso to sub-section (2) of section 8B;

(ac) the level of exploration in respect of deep seated minerals or such minerals and the procedure,

including the bidding parameters for selection of the holders under the proviso to sub-section (2) of section 10C;

(ii) for clause (d), the following clauses shall be substituted, namely:—

(d) the terms, conditions and process of auction by competitive bidding and allotment in respect of coal or lignite;

(da) the regulation of grant of reconnaissance permit, prospecting licence, mining lease or prospecting licence-cum-mining lease in respect of coal or lignite;

(db) 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 or lignite reconnaissance, prospecting or mining operations;

(dc) utilisation of coal or lignite including mining for sale by a company;"

Amendment of section 17A.

9. In section 17A of the principal Act, in sub-section (2A), in the proviso, the words and letter "Part A and" shall be omitted.

### CHAPTER III

#### AMENDMENTS TO THE COAL MINES (SPECIAL PROVISIONS) ACT, 2015

Amendment of section 4.

10. In section 4 of the Coal Mines (Special Provisions) Act, 2015 (hereafter in this Chapter referred to as the principal Act),—

11 of 2015.

(i) in sub-section (2),—

(a) in the opening portion, for the words "in respect of any area containing coal", the words "or prospecting licence-cum-mining lease in respect of coal" shall be substituted;

(b) for the long line, the following long line shall be substituted, namely:—

“to carry on coal reconnaissance or prospecting or mining operations, for own consumption, sale or for any other purpose as may be determined by the Central Government, and the State Government shall grant such reconnaissance permit, prospecting licence, mining lease or prospecting licence-cum-mining lease in respect of Schedule I coal mine to such company as selected through auction by competitive bidding under this section.”;

(ii) sub-section (3) shall be omitted.

**11.** In section 5 of the principal Act, in sub-section (1),—

Amendment of section 5.

(i) for the words, brackets and figures “sub-sections (1) and (3)”, the words, brackets and figures “sub-sections (1) and (2)” shall be substituted;

(ii) for the words “or mining lease in respect of any area containing coal”, the words “,mining lease or prospecting licence-cum-mining lease in respect of such Schedule I coal mine” shall be substituted;

(iii) in the first proviso, for the words “in accordance with the permit, prospecting licence or mining lease, as the case may be”, the words “as may be determined by the Central Government” shall be substituted.

**12.** In section 8 of the principal Act,—

Amendment of section 8.

(i) in sub-section (4), in clause (d), for the words “a mining lease”, the words, “prospecting licence, mining lease or prospecting licence-cum-mining lease, as the case may be” shall be substituted;

(ii) in sub-section (8), for the words “a prospecting licence or a mining lease”, the words, “prospecting licence, mining lease or prospecting licence-cum-mining lease” shall be substituted;

(iii) in sub-section (9), for the words “a prospecting licence or a mining lease”, the words, “prospecting licence, mining lease or prospecting licence-cum-mining lease” shall be substituted;



(iv) after sub-section (12), the following sub-sections shall be inserted, namely:—

“(13) The vesting order or allotment order may be terminated by the nominated authority in such manner as may be prescribed.

(14) Upon termination of vesting order or allotment order, the nominated authority may auction the coal mine under section 4 or allot the coal mine under section 5 as may be determined by the Central Government.

(15) The successful bidder or allottee of the coal mine whose vesting order or allotment order has been terminated shall be deemed to be the prior allottee for the purposes of immediate next auction or allotment of the said coal mine.”.

Amendment of section 9.

**13.** In section 9 of the principal Act,—

(i) in the opening portion, for the portion beginning with the words “The proceeds arising out of land” and ending with the words “as may be prescribed.”, the following shall be substituted, namely:—

“The compensation for land and mine infrastructure in relation to a Schedule I coal mine as valued in accordance with section 16 shall be deposited by the successful bidder or allottee with the nominated authority and shall be disbursed maintaining, *inter alia*, the following priority of payments and in accordance with the relevant laws and such rules as may be prescribed—”;

(ii) in clause (b), for the words “compensation payable”, the words “amount payable” shall be substituted.”.

Amendment of section 18.

**14.** In section 18 of the principal Act, in sub-section (1), for the words and figure “allotment of Schedule I coal mines is not complete”, the words and figures “allotment of Schedule II coal mines is not complete, or vesting order or allotment order issued under this Act has been

terminated in case of a coal mine under production," shall be substituted.

**15.** In section 20 of the principal Act,—

Amendment of section 20.

(i) in sub-section (1), for the words "A successful bidder or allottee or coal linkage holder shall", the words "A successful bidder or allottee shall" shall be substituted;

(ii) for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) A successful bidder or allottee may also use the coal, mined from a particular Schedule I coal mine, in any of its plants or plant of its subsidiary or holding company engaged in same specified end-uses in such manner as may be prescribed."

**16.** In section 31 of the principal Act, in sub-section (2),—

Amendment of section 31.

(i) in clause (b), for the words "prospecting licence or mining lease", the words "prospecting licence, mining lease or prospecting licence-cum-mining lease" shall be substituted;

(ii) after clause (l), the following clause shall be inserted, namely:—

"(la) the manner of termination of vesting order or allotment order under sub-section (13) of section 8;"

RAM NATH KOVIND,  
*President.*

DR. G. NARAYANA RAJU,  
*Secretary to the Govt. of India.*