

**No. PS2-13011/3/2022-PS2 (FTS: 353749)**  
**GOVERNMENT OF INDIA**  
**MINISTRY OF COAL**  
**P&S-I Section**

.....  
Shastri Bhawan, New Delhi  
Dated: 29<sup>th</sup> July, 2024

**ORDER**

**Subject: Amendments in land use policy of Central Public Sector Undertakings in Coal Sector-reg.**

On 22.04.2022 Ministry of Coal had issued policy guidelines for use of land acquired under the Coal Bearing Areas (Acquisition & Development) Act, 1957 with the approval of the Union Cabinet. Upon approval of the Union Cabinet on 13<sup>th</sup> April 2022, policy guidelines were formulated and issued to provide that lands acquired under CBA Act may be considered for granting on lease by the land owning Public Sector Undertakings (PSUs)/ coal company to other CPSUs, State Governments (including its PSUs) and private entities for development of coal infrastructure and other development activities without change in ownership of the lands. The policy guidelines were applicable only for the following types of lands: -

- a. Lands which are no longer suitable or economically viable for coal mining activities; or
- b. Lands from which coal has been mined out/ de-coaled and such land has been reclaimed.

2. Ministry of Coal has found that several coal mines/blocks which have been allocated by Ministry of Coal or are under allocation overlaps with lands acquired and vested in government companies under CBA Act or Coking Coal Mines (Nationalisation) Act, 1972 ('CCMN Act'), Coal Mines (Nationalisation) Act, 1973 ('CMN Act'). Since the ownership over such overlapping lands acquired under the CBA/CMN Act cannot be transferred or vested to private allocatees of coal mines/blocks it creates an impediment for the private allocatees to undertake mining operations.

3. In order to overcome the aforementioned impediment and to provide for leasing of mining and surface rights in respect of lands already acquired and vested in the government companies to any company including private sector companies, approval of the Union Cabinet has been obtained on 18.07.2024 to amend the aforementioned policy guidelines dated 22.04.2022 to allow leasing of mining and/ or surface rights in the land already acquired by the Central Government and vested in Government companies under CBA Act or CCMN Act or CMN Act or in the land already acquired by coal Public Sector Undertakings ('coal PSUs') under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (RFCTLARR Act) or in the land otherwise already purchased/acquired/possessed by





the coal PSUs which overlap with the coal mines/ blocks already allocated or to be allocated to a successful bidder through auctions under the Coal Mines (Special Provisions) Act, 2015 (CMSP Act) or which overlap with the coal blocks already allocated or presently under allocation through auctions under the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act).

4. Now therefore, Ministry of Coal, in addendum to the aforementioned policy guidelines dated 22.04.2022, formulates the following guidelines:

- i. These guidelines shall apply only to such land parcels already acquired by Central Government and vested in government companies under CBA Act or CCMN Act or CMN Act or to land already acquired by coal PSUs under the RFCTLARR Act or the land otherwise already purchased/acquired/possessed by the coal PSUs which overlap with the coal mines/blocks already allocated/ at present under allocation under CMSP/MMDR Act or to be allocated under the CMSP Act only to the extent of such overlap.
- ii. Mining and surface rights in such parcels of lands can be leased only to successful bidders who had been allocated the concerned coal mine/block under CMSP Act or MMDR Act.
- iii. In cases where such overlapping land parcels have been acquired and vested in a government company under the CCMN Act/CMN Act, the said government company may grant a lease/sub-lease of surface rights over such land parcels to the successful bidder on such terms and conditions as the said government company deems fit. In respect of the mining lease, the said government company may grant a sub-lease to the successful bidder or surrender mining lease to the State Government for granting fresh mining lease to the successful bidder.
- iv. In cases where such overlapping land parcels have been acquired and vested in a government company under the CBA Act, the said government company may lease surface rights over such land parcels to the successful bidder on such terms and conditions as the said government company deems fit. In respect of mining lease, the mining lease may be executed between the successful bidder and the Government Company.
- v. In cases where such overlapping land parcels have been acquired by coal PSUs under the RFCTLARR Act or in the land otherwise already purchased/acquired/possessed by the coal PSUs, the said coal PSU may lease surface rights over such land parcels to the successful bidder on such terms and conditions as the said PSU deems fit. In respect of mining lease, the mining lease shall be granted by the State Government.

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- vi. Surface Leases so granted by the government companies shall be long-term leases i.e., for up to 50 years. Mining lease/ sub-lease shall be granted under the MMDR Act and the terms and conditions as applicable on a mining lease under the MMDR Act shall be applicable on such mining leases.
- vii. The lessee/ sub-lessee shall be liable to pay royalty, dead rent, proceeds of auction, surface rent or any other statutory amount to the State Government and pay the District Mineral Foundation and the National Mineral Exploration Trust, as payable by a lessee under the MMDR Act.
- viii. The lessee/ sub-lessee shall pay the cost of land acquisition, cost of rehabilitation and resettlement, cost of employment against land, other incidental or ancillary costs/expenses, etc. borne by the government company at present market rate. In addition, the lessee shall pay rent for the surface lease to the lessor Government Company at the rate of Rs. 1000/- per hectare of land per year.

#### **5. Extension of policy dated 22.04.2022**

The policy guidelines issued on 22.04.2022 for leasing of lands acquired under the CBA Act are hereby extended to lands already acquired under CCMN Act/ CMN Act, RFCTLARR Act and to lands otherwise already purchased/acquired/possessed by coal PSUs. The lands acquired under CMN/CCMN/ RFCTLARR Act/purchased/acquired/possessed otherwise by coal PSUs which remain unutilized shall be put to constructive utilization in terms of policy dated 22.04.2022.

6. This is issued with the approval of Competent Authority.

 29.7.24

(M. Nagaraju)  
Additional Secretary to the Govt. of India  
Tel:011-23383356

To,

1. Chief Secretary, Government of Chhattisgarh
2. Chief Secretary, Government of Jharkhand
3. Chief Secretary, Government of Telangana
4. Chief Secretary, Government of Odisha
5. Chief Secretary, Government of Arunachal Pradesh
6. Chief Secretary, Government of West Bengal
7. Chief Secretary, Government of Assam
8. Chief Secretary, Government of Maharashtra

9. Chief Secretary, Government of Madhya Pradesh
10. Chief Secretary, Government of Andhra Pradesh
11. Chief Secretary, Government of Bihar
12. Chief Secretary, Government of Tamil Nadu
13. Chief Secretary, Government of Rajasthan
14. The Nominated Authority, Ministry of Coal, Shastri Bhawan, New Delhi.
15. CMD CIL, Kolkata
16. CMD NLCIL, Tamil Nadu
17. CMD SCCL, Telangana
18. All CMDs of subsidiaries of CIL
19. The Under Secretary, LA&IR Section, Ministry of Coal
20. STD NIC- with request to upload on website of Ministry of Coal

Copy to:-

1. PS to Hon'ble Minister of coal
2. PSO to Secretary (Coal)
3. PPS to AS&NA (Coal)