

**Bill No. 22 of 2012**

THE COAL MINES (CONSERVATION AND DEVELOPMENT)  
AMENDMENT BILL, 2012

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BILL

*further to amend the Coal Mines (Conservation and Development) Act, 1974.*

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

**1.** (1) This Act may be called the Coal Mines (Conservation and Development) Amendment Act, 2012.

Short title  
and  
commencement.

(2) It shall come into force on such date as the Central Government may, by notification  
5 in the Official Gazette, appoint.

**2.** In the Coal Mines (Conservation and Development) Act, 1974, in section 6, in sub-section (1), for the words "rupees ten per tonne", the words "rupees fifty per tonne" shall be substituted.

Amendment  
of section 6  
of Act 28 of  
1974.

## STATEMENT OF OBJECTS AND REASONS

The Coal Mines (Conservation and Development) Act, 1974 provides for the conservation of coal and development of coal mines and for matters connected therewith or incidental thereto.

2. Section 6 of the Act provides that the Central Government shall levy and collect such duty of excise not exceeding rupees ten per tonne on all coal raised and despatched and on all coke manufactured and despatched as may be fixed from time to time by notification. The Central Government, by notification No. S.O. 727(E), dated the 25th June, 2003, enhanced the rate of excise duty from rupees three and paise fifty to rupees ten per tonne for coking or non-coking coal.

3. Out of the total collection of excise duty, only thirty-five per cent. is being utilised for two schemes framed by the Central Government, namely, (i) the Conservation and Safety in Coal Mines, and (ii) the Development of Transportation Infrastructure in Coalfield Areas and the remaining sixty-five per cent. is reserved for the Jharia-Raniganj Master Plan. This will enable partial funding for implementation of Jharia-Raniganj Master Plan which is addressing the issues of fires and land subsidence in the old mined out areas in Jharia and Raniganj coalfields which were taken over at the time of nationalisation.

4. In August, 2009, the Central Government approved the master plan dealing with fires, subsidence and rehabilitation in the Jharia and Raniganj coalfields at a total outlay of rupees 9770 crores. It is to be implemented over a period of 10 years. The annual requirement of funds would be about rupees 977 crores. The implementation of the master plan envisaged funding of rupees 350 crores per annum from the internal resources of Coal India Limited and rupees 350 crores from the collection of excise duty at the current rate of rupees ten per tonne. It is proposed to enhance the current rate of excise duty to bridge the gap in funding which is to the extent of rupees 277 crores each year over the 10 years period of implementation of the master plan.

5. Since, the aforesaid section 6 confers power upon the Central Government to fix, by notification, rupees ten as maximum rate of excise duty, the excise duty cannot be increased further without amendment of the Coal Mines (Conservation and Development) Act, 1974. It is, therefore, proposed to amend the provisions of aforesaid section 6 of the aforesaid Act to increase the maximum amount of excise duty from the existing maximum ceiling of rupees ten per tonne to rupees fifty per tonne for all types of coal.

6. The Bill seeks to achieve the above objectives.

NEW DELHI;  
*The 24th February, 2012.*

SRI PRAKASH JAISWAL.

*ANNEXURE*

EXTRACT FROM THE COAL MINES (CONSERVATION AND DEVELOPMENT)  
ACT, 1974

(28 OF 1974)

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**6. (1)** With effect from the appointed day, there shall be levied and collected on all coal raised and despatched, and on all coke manufactured and despatched, from the collieries in India, such duty of excise, not exceeding rupees ten per tonne, as may be fixed from time to time by the Central Government by notification, and different rates of duty may be levied on different grades or description of coal or coke:

Imposition of excise duties.

Provided that the Central Government may, by general or special order, exempt any special grade or grades or description of coal or coke from the levy of such duty of excise.

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*(Shri Sri Prakash Jaiswal, Minister of Coal)*