

MINISTRY OF ENERGY
(Department of Coal)
NOTIFICATION
New Delhi, the 1st April, 1975

G.S.R. 184(E) – Whereas the draft of certain rules which the Central Government propose to make in exercise of the powers conferred by section 18 of the Coal Mines (Conservation and Development) Act, 1974 (28 of 1974) were published as required by sub-section (1) of that section at pages 233 to 241 of the Gazette of India Extraordinary, Part II, Section 3, Sub-section (i) dated the 12th February, 1975 under the notification of the Government of India in the Ministry of Energy (Department of Coal) No. G.S.R. 46(E), dated the 12th February, 1975 inviting objections and suggestions from all persons likely to be affected thereby on or before the expiry of a period of thirty-five days from the date of publication of the said notification in the Official Gazette;

And whereas the said Gazette was made available to the public on the 12th February, 1975;

And whereas the objections and suggestions received on the said draft have been considered by the Government;

Now, therefore, in exercise of the powers conferred by section 18 of the said Act, the Central Government hereby makes the following rules, namely:-

CHAPTER – I
PRELIMINARY

1. Short title and commencement-

- (1) These rules may be called **The Coal Mines (Conservation and Development) Rules, 1975.**
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions - In these Rules, under the context otherwise requires -

- (a) ‘Account’ means the “Coal Mines Conservation and Development Account” opened under Section 10 of the Act;
- (b) “Act” means the Coal Mines (Conservation and Development) Act, 1974 (No. 28 of 1974);
- (c) “Advisory Committee” means the Coal Conservation and Development Advisory Committee Constituted under rule 10;
- (d) “Coal Controller” means the person appointed as the Coal Controller by the Government of India;
- (e) “Form” means a form appended to these Rules;
- (f) “Section” means a section of the Act;
- (g) “Treasury” means any Government Treasury or sub-treasury.

CHAPTER – II
MEASURES FOR CONSERVATION AND DEVELOPMENT OF COAL MINES

3. Stowing for Conservation – For the purpose of conservation of coal the Central Government may under section 4 issue or cause to be issued an order in writing requiring the owner, agent or manager of any coal mine to undertake stowing in such manner and within such period as may be specified in the order.

4. Contravention of directions – Any order issued under section 4 or sub-section (3) of section 11 shall be complied with by the owner, agent or manager of the coal mine concerned within the period specified therein and failure to do so shall be deemed to be a contravention of these Rules.

5. Washing of coal and other steps for conservation – For the purpose of conservation of coal under section 4 the Central Government may, by order in writing –

(i) require the owner, agent or manager of any coal mine to undertake washing of coal in such manner and within such period as may be specified in the order;

(ii) restrict the supply of coal of any grade or grades or qualities to specified consumers in accordance with any policy of coal conservation as may be determined by it from time to time;

(iii) require the owner of any steel works, blast furnace or coke oven, using coking coal to undertake blending of coal for conservation of coal in accordance with such procedure as may be determined by it from time to time;

(iv) issue such directions as it deems fit for ensuring economy in the use of coal and, for the purpose of verifying whether such directions have been or are being complied with, call for such information and returns from consumers as it considers necessary and arrange for the inspection of stocks of coal and coke held by consumers.

6. Power of the Central Government to recover cost – (1) The Central Government may recover from the owner, agent or manager of a coal mine either wholly or partly the cost of such measures or operations as are undertaken by it under section 4, if it is satisfied on consideration of all facts and circumstances that such recovery of cost is justified.

(2) The Central Government may permit the owner to meet either wholly or partly the expenditure on account of recovery of the cost mentioned in sub-rule (1) from out of the moneys at the credit of the Account.

7. Supply of information – Every owner, agent or manager shall furnish to the Coal Controller such information regarding production and dispatch of coal from his mine or mines and working conditions in his mine or mines as may be specified by the Coal Controller. He shall also furnish to the Coal Controller such other information regarding opening, re-opening and closure of mines as may be required by the Coal Controller.

CHAPTER – III

COLLECTION OF EXCISE DUTY

8. Collection and assessment of excise duty – (1) The duties of excise levied under section 6 shall be shown separately by the owner, agent or manager of a coal mine in the bill prepared for the sale of coal and coke.

(2) When raw coal is despatched from the mine for coke making to a coke plant or, as the case may be, for beneficiation to a coal washery under the same ownership as the coal mine, the duties of excise shall not be collected on raw coal despatched from the mine but on the final product of the coke plant or coal washery, that is on hard coke, soft coke, washed coal, middlings, rejects or other final product.

(3) When raw coal is despatched from a mine for coke making to a coke plant or, as the case may be, for beneficiation to a coal washery, which is not under the same ownership as the coal mine, the duties of excise shall be collected by the owner, agent or manager of the coal mine on the raw coal despatched and not on the final product of the coke plant or coal washery,

(4) Every owner, agent or manager of a coal mine shall maintain a register in Form 'A' showing the quantities of coal or coke actually despatched during a month, particulars of the parties to whom these were despatched and the prices charged therefor and the amount of excise duty payable during a month at the rates fixed under section 6 shall be calculated and recorded in the register before the last day of the month following the month during which the despatches were effected.

(5) Every owner shall be deemed to have been provisionally assessed to an amount calculated and recorded under sub-rule (4) as payable during a month and he shall pay the same into the treasury,

the remittance being creditable to the Central Government in a special account. The payment shall be made within a period of ninety days from the close of the month during which despatches were effected.

(6) The payment under sub-rule (5) shall be made by means of a challan. The treasury shall return one copy of the challan to the depositor who shall transmit this copy, under sub-rule (7) to the Coal Controller.

(7) As soon as may be after the date of the payment of the duties of excise in the manner provided in sub rule (6) and in any case not later than thirty days from the date of such payment, every owner of a coal mine shall submit to the Coal Controller a return in Form 'B' showing the quantities of coal or coke despatched during the month in respect of which the payment has been made, the amount paid under sub-rule (6) and other particulars specified in that Form. The return shall be accompanied by the copy of the challan returned under sub-rule (6) by the treasury.

(8) The final assessment of the duties of excise due from the owner of a coal mine shall be made by the Coal Controller after examination of the said return and other relevant documents, if any. For the purpose of final assessment under this sub-rule, the Coal Controller may depute a duly authorised officer to inspect and examine the account books and other records maintained at the premises of a coal mine and may by notice require, the owner to produce either personally or by his authorised representative the said records before the authorised officer at the time and place specified in the notice.

(9) If the owner has paid the duties of excise provisionally assessed under sub-rule (5) and has submitted the monthly return under sub-rule (7), the Coal Controller shall either confirm that the amount of duty provisionally assessed under sub-rule (5) is final and send an intimation to that effect to the owner or assess the additional amount found due and issue a notice calling upon the owner to pay into the treasury by a specified date the additional amount so found due in the manner prescribed in sub-rule (6) or if the amount paid under sub-rule (5) is found to be in excess of the amount due refund the excess so paid to the owner.

(10) If the owner has not paid any payment under sub-rule (5), and has not submitted the monthly return under sub-rule (7), the Coal Controller shall, after giving the owner a reasonable opportunity of being heard, assess him to such an amount of duties of excise as in his opinion is fit and proper and issue a notice calling upon him to pay the full amount into the treasury, by a specified date, in the manner prescribed in sub-rule (6).

(11) Any dues of excise duty remaining unpaid after the date specified by the Coal Controller shall be recovered from the owner of the coal mine as an arrear of land revenue and shall be credited to the Central Government.

(12) In calculating the amount of duties of excise payable on any one consignment any paisa shall be rounded off to the nearest five paise or multiple of five paise and the actual weight of a consignment shall be rounded off to the nearest tonne.

(9) Review of assessment of excise duty:- (1) Any owner of a coal mine, aggrieved by an order of final assessment under sub-rule (8) of rule 8 may submit an application to the Coal Controller for the review of the order of final assessment within thirty days of the receipt of notice of such assessment.

Provided that no such application shall be entertained unless the amount assessed has already been paid in the manner specified in sub-rule (6) of that rule.

(2) After examination of the records relating to the assessment and after hearing the owner, if such owner requests for such hearing—

- (a) if the Coal Controller is satisfied that the excise duty assessed and paid by the owner is in excess of the amount due, he shall order refund to the owner of such amount as may have been paid in excess; or
- (b) if on the other hand, the Coal Controller is satisfied that the assessment has been made correctly he shall confirm his order of assessment.

CHAPTER IV

COAL CONSERVATION AND DEVELOPMENT ADVISORY COMMITTEE

10. Composition and functions of the Advisory Committee:- (1) For the purpose of determining the procedure for the disbursement of the net proceeds under section 9 and the manner in which, and the conditions subject to which, sums at the credit of the Coal Mine Conservation and Development Account may be applied, the Central Government may constitute an Advisory committee, to be called the "Coal Conservation and Development Advisory Committee" to advise that Government.

(2) The Advisory Committee shall consist of the following members, namely:-

- (i) Joint Secretary, Ministry of Energy (Department of Coal), ex-officio, who shall be the Chairman;
- (ii) Financial Adviser and Joint Secretary, Ministry of Finance (Department of Expenditure), ex-officio;
- (iii) Three representatives of coal producing organisations to be nominated by the Central Government;
- (iv) Managing Director, Central Mine Planning and Design Institute, Coal Mines Authority Limited, ex-officio;
- (v) Director General, Mines Safety, Ministry of Labour, ex-officio;
- (vi) Director, Central Fuel Research Institute, Dhanbad, ex-officio;
- (vii) Director, Central Mining Research Station, Dhanbad, ex-officio;
- (viii) Coal Controller, Ministry of Energy (Department of Coal), ex-officio;
- (ix) Director or, as the case may be, Deputy Secretary, Ministry of Energy (Department of coal). ex-officio; who shall be the member-secretary.

(3) Without prejudice to the generality of the provisions contained in sub-rule (1), the functions of the Advisory Committee shall be ---

(a) to advise the Central Government regarding the formulation and implementation of a national policy in relation to the conservation, development and scientific utilisation of the coal reserves of the country keeping in view the recommendations that may be made in this regard by the Central Mine Planning and Design Institute, Coal Mines Authority Limited;

(b) to recommend Measures which should be taken for—

- (i) ensuring the conservation of the coal resources;
- (ii) undertaking the development of the coal mines in a scientific manner;
- (iii) undertaking research in relation to conservation of coal, development of coal mines and utilisation of coal
- (iv) improving transportation by various means and distribution of coal, and
- (v) better utilisation of coal;

(c) to recommend the classes, grades or sizes into which coal or coke may be categorised;

(d) to recommend the rates at which duties of excise may be imposed on coal or coke;

(e) to advise the Central Government on the disbursement of net proceeds of duties of excise and customs levied and collected under section 6 and 7 respectively, as also the net proceeds of the duties of excise collected under section 8 of the Coal Mines (Conservation, safety and development) Act, 1952 and remaining undisbursed to the owners, agents or managers of coal mines or to any other person for all or any of the purposes mentioned in section 9;

(f) to advise the Central Government on the manner in which and the conditions subject to which financial assistance might be granted under the Act;

(g) to advise the Central Government regarding the procedure that should be adopted for carrying out examinations, inquiries and inspections in order to ascertain whether the financial assistance granted under the Act is being or has been utilised for the purposes for which it was sanctioned, as also to ascertain whether the provisions of the Act or rules and orders made thereunder are being complied with;

(h) to recommend to the Central Government the action that should be taken against those who make any default in complying with the provisions of the Act or of the rules and orders made thereunder, as also in implementing the schemes and measures for conservation and development sanctioned under the Act.

(4) The Advisory Committee shall meet when required by the Central Government to do so and shall have the power to regulate its own procedure.

(5) The non-constitution of the Advisory committee or the existence of any vacancy therein shall not render invalid the disbursement of any amounts under section 9 or any application of sums out of the sums standing to the credit of the Coal Mine Conservation and Development Account.

CHAPTER V

GRANT OF ASSISTANCE

11. Determination of net proceeds of the duties of excise:---For the purpose of section 9, the net proceeds of the duties of excise and customs levied and collected under sections 6 and 7 respectively, in a financial year, shall be determined after taking into account the total amount of the duties collected, the refunds granted, the amounts written off and the deduction towards the cost of collection of such duties as fixed by the Central Government.

12. Purposes for which net proceeds of the duties may be disbursed:--For carrying out the purposes specified in section 9, the Central Government may, having regard to the recommendations of the Advisory Committee make disbursements to the owners, agents or managers of coal mines or to any other person from out of the amounts lying in credit with the Government on account of duties of excise and customs collected under the Act, and the said purposes may include one or more of the following, namely-

(1) Conservation and safety :-

(i) Stowing operations.

(ii) Protective works, including-

(a) blanketing with incombustible materials;

(b) filling up of a subsidence;

(c) cutting of trenches;

(d) construction of dams;

(e) artificial barriers.

(iii) Special mining techniques obviating sand stowing,

(iv) Surface protection measures including vacation of buildings and structures over areas of subsidence,

(v) Installation of stowing plants, blending plants and plants for the beneficiation of coal,

(vi) Schemes for recovery and transportation of sand,

(2) Scientific Development of Coal Mines:-

(i) Development of new coal mining methods, development and utilisation of explosives.

- (ii) Improvements in exploration, and drilling techniques.
- (iii) Techno-economic studies of various underground and surface transport systems in mines.
- (iv) Investigations into problems of rock burst in deep mines.
- (v) Investigations into roof bolting under different mining conditions.
- (vi) Development of standardised designs for coal mines and mining machinery.
- (vii) Development of television and other electronic aids for application in mining.

(3) Establishment and organisation of Central Mine Planning and Design Institute.

(4) Utilisation of Coal.

- (i) Low Temperature Carbonisation projects,
- (ii) Formed coke projects.
- (iii) Coal Gasification projects.
- (iv) Project for conversion of coal into oil and chemicals.

(5) Research and Development.

- (i) Transportation of coal and sand through pipelines.
- (ii) Other modes of transport, including inland waterway .
- (iii) Investigations into suitability of waste materials for stowing in mines.
- (iv) Investigations into problems of mines fires and efficacy of different methods of dealing with them,
- (vi) Assessment of ventilation and other environmental conditions in mines and development of standards.
- (vi) Problems relating to Methane emission and drainage from highly-gassy coal seams.
- (vii) Development of instruments for measuring and recording mine gases.
- (viii) Research on surface pollution and environmental control in mining areas.

(6) Meeting the expenses in connection with the work of Advisory Committee.

13. Application for assistance:- Every owner, agent or manager of a coal mine or group of coal mines or any other person desirous of obtaining financial assistance, under the Act, shall submit his proposals to the Central Government.

14. Quantum of assistance:- Assistance shall be granted by the Central Government with due regard to the circumstances of each case.

15. Acceptance of conditions attaching to the grant of assistance:- Before granting assistance under these rules, the Central Government may specify the conditions to be fulfilled by the owner, agent or manager of a coal mine or any other person to whom assistance is proposed to be granted, and secure the acceptance in writing by such owner, agent or manager of the coal mine or other person of such conditions.

(16) Maintenance of accounts:-(1) The owner, agent or manager of a coal mine or group of coal mines or any other person to whom any money is disbursed under section 9 shall maintain or cause to be maintained a Statement of receipts and Payments in respect of the Account.

(2) Such Statement shall be examined and audited as provided in subsection (3) of Section 10.

17. Submission of Annual Reports – Every person to whom the money has been disbursed under section 9 shall submit to the Central Government by 30th September in each year an Annual Report regarding the utilization of the assistance received by him during the previous financial year along with a copy of the Statement of Receipts and Payments, together with the Auditor's Report in respect of the Account and the Statement of Receipts and Payments.

18. Duties regarding information and inspection –(1) Every owner, agent or manager of a coal mine or any other person who has obtained financial assistance under the Act shall on request

promptly furnish to the Central Government, the Coal Controller or any other person duly authorized by the Central Government such information, plans and drawings, as may be required by the Central Government for any purpose in furtherance of the objects of the Act.

(2) Every owner, agent or manager of a coal mine or any other person who has obtained assistance under the Act shall afford the Chairman and the members of the Advisory Committee, the Coal Controller or any other person duly authorized by the Central Government in this behalf all reasonable facilities for inspection of the coal mine and the records in relation to the utilization of the assistance as may be necessary for carrying out the objects of the Act.

CHAPTER VI

MISCELLANEOUS

19. **Penalty for contraventions** – Any contravention of these rules shall be punishable with imprisonment for a term which may extend to three months or with fine which may extend to two thousand rupees or with both.

20. **Repeal** – The Coal Mines (Conservation and Safety) Rules, 1954 are hereby repealed.

Form 'A'
[See rule 8(4)]

Form of register showing coal and coke despatch, price charged and excise duty.

Name of Coal Mine:

Owner

Full Address:

Month

Year

Name of Consignee	Destination	Date of dispatch	Grade and size of coal	Quantity dispatched and pit head price	Rate of excise duty per tone	Amount of excise duty collected	Date of remittance into treasury	Treasury into which paid and Challan No.
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Station:

Signature and seal of Owner/Agent/Manager.

Date:

Form 'B'
[See rule 8(7)]

Form of return of duties of excise realized on despatches of coal and coke.

Name of Coal Mine:

Owner

Full Address:

Month

Year

Quantity of Coal/Coke dispatched during the month			Pit head price	Total price	Rate of	Total excise	Excise duty	Amount	Remarks
Grade	Size	Quantity	per tone	chargeable	excise duty per tone	duty payable	actually realised.	paid into treasury	

Certified that the above statements are true to the best of my knowledge and belief and are based on records maintained in my coal mine.

Station:

Signature and seal of Owner/Agent/Manager.

Date:

[No. 55019/8/75-CPC]
S. B. LAL, Jt. Secy.