

**No. 38035/2/97-CA**  
**Government of India**  
**Ministry of Coal and Mines**  
**Department of Coal**

.....

New Delhi, dated 12th December, 2001

To,  
The Chief Secretary,  
Government of Jammu & Kashmir / Himachal Pradesh / Gujarat / Uttar Pradesh / Bihar / West Bengal / Assam / Nagaland / Arunachal Pradesh / Meghalaya / Orissa / Andhra Pradesh / Maharashtra / Madhya Pradesh / Jharkhand / Chhatisgarh / Uttaranchal / Goa / Tripura / Manipur / Mizoram/Sikkim/Punjab/Haryana/Tamil Nadu/Kerala/ Karnataka/Rajasthan/Delhi.

**Subject:- Coal mining by the State Governments.**

Sir,

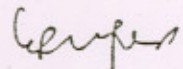
I am directed to refer to this Department's letter No. 20(5)/79 – CL dated 30.7.79 (copy enclosed) and to state that the coal mining policy communicated by the Central Government in the said letter has been reviewed and is hereby revised by the Government. Under the revised policy, the State Government companies or undertakings are allowed to do mining of coking and non-coking coal or lignite reserves, either by opencast or underground method, anywhere in the country, subject to the following conditions:

- i) The State Government company or undertaking (referred to as the 'company' hereafter) is authorised to do coal or lignite mining by its Memorandum and Articles of Association.
- ii) The company will do coal or lignite mining in accordance with the provisions of the Coal Mines (Nationalisation) Act, 1973, the Mines & Minerals (Development & Regulation) Act, 1957, the Contract Labour (Regulation & Abolition) Act, 1970, and all other mineral, environmental and labour laws and other regulations governing the Indian coal industry.
- iii) For coal the company shall obtain a certificate from Coal India Limited to the effect that the latter has no plan or willingness to undertake mining operations for coal in the concerned area. For lignite, the company shall obtain a certificate from Neyveli Lignite Corporation.
- iv) The proposed mining area has not been allotted to a captive mining company under the provisions of Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973.
- v) No financial assistance from the Central Government or Coal India Limited or Neyveli Lignite Corporation shall be provided to the company for coal or lignite mining in the concerned area.
- vi) None of the coal or lignite mines operated by the company will be taken over by the Central Government or Coal India Limited or Neyveli Lignite Corporation in the event of closure of such a mine or otherwise.



- vii) No employee of the company, engaged in a coal or lignite mine operated by it, will be absorbed in Coal India Limited or Neyveli Lignite Corporation at any point of time.
2. Under the revised policy, a State Government company/ undertaking can now work non-coking coal and coking coal reserves or lignite by opencast/underground method, without the restriction of 'isolated small pockets'.
3. This supersedes this Department's letter No. 20(5)/79-CL dated 30.07.1979.

Yours faithfully,



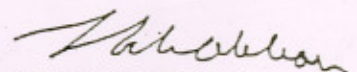
(K.S. KROPHA)  
DIRECTOR

Copy forwarded to: -

1. The Chairman, Coal India Limited, 10- Netaji Subhas Road, Kolkata.
2. The CMD, CCL, Darbhanga House, Ranchi, Jharkhand.
3. The CMD, WCL, Bisesar House, Temple Road, Nagpur.
4. The CMD, ECL, Sanctoria.
5. The CMD, NCL, Singrauli Collieries, Distt. Sidhi, Madhya Pradesh.
6. The CMD, SECL, Seepat Road, Bilaspur, Chhatisgarh.
7. The CMD, MCL, Anand Bihar, Sambalpur.
8. The CMD, BCCL, Dhanbad
9. The CMD, CMPDIL, Ranchi.
10. The CMD, NLC, P.O.Neyveli, South Arcot, Tamil Nadu.
11. The Coal Controller, 1- Council House Street, Kolkata.
12. The Department of Mines, Ministry of Coal & Mines, New Delhi.
13. Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
14. Planning Commission, Yojna Bhawan, New Delhi.

Copy also forwarded to: -

1. PS to Minister for Coal & Mines, Shastri Bhawan, New Delhi.
2. PS to Minister of State for Coal & Mines, Shastri Bhawan, New Delhi.
3. All officers/sections of the Department of Coal.



(S.K.KAKKAR)

UNDER SECRETARY TO THE GOVERNMENT OF INDIA