

**Government of India
Ministry of Coal**

Shastri Bhawan,
New Delhi, the 16th September, 2025

Subject: Public Consultation on Draft Coal Exchange Rules, 2025

Recently, the Mines and Minerals (Development and Regulation) Amendment Act, 2025 [MMDR Amendment Act] (**Annexure-I**) has been enacted by the Parliament, which includes the definition of a Mineral Exchange. Further, vide this amendment, Section 18B has been inserted in the MMDR Act, 1957 (principal Act), which empowers the Central Government to promote development of market, including trading of minerals, its concentrate or its processed forms (including metals) through mineral exchanges by framing of the Rules as well as to appoint any authority to register and regulate mineral exchanges. Section 3 (af) has been inserted in the principal Act thereby defining "*mineral exchange*" as an electronic trading platform or marketplace registered in accordance with the provisions of the principal Act, where buyers and sellers of minerals, its concentrate or its processed forms (including metals), transact, trade and enter into contract, including in derivatives. As per existing Section 3 (ad) in the principal Act, the word "minerals" include all minerals except minerals oils. Coal is a specified mineral listed in Part - A of the First Schedule of the MMDR Act, 1957.

2. The recent policy reforms in the coal sector are contributing towards self-sufficiency and increased coal availability in the Country. Coal production in the country is poised to reach new heights with the country already breaching 1 BT of coal production mark in 2024-25 and likely to grow beyond 1.5 BT by 2030. With the increased availability of domestic coal in the country, it is envisaged that there would be a paradigm shift towards a surplus coal scenario and resultantly the coal sales scenario is expected to undergo a major change from the existing mechanisms of coal sales channels, necessitating a major market reform backed by a Regulatory mechanism.

3. Therefore, in the scenario of increased availability of domestic coal in the country, further reforms are being carried out in the coal sector with focus on promoting competitive markets for sale of coal, and thus, the Ministry of Coal proposes to establish Coal Exchange (s) under the aforesaid enabling provisions of the MMDR Amendment Act, 2025.

4. Accordingly, Ministry of Coal has prepared draft Coal Exchange Rules, 2025 which shall be applicable for coal and/or lignite. The draft notification so made is available as **Annexure II** for public consultation. Ministry of Coal proposes to appoint the Coal Controller Organization (CCO) to register and regulate the Coal Exchange(s) to be established in the country. Coal Exchange(s) shall facilitate trading of coal as a commodity. The prospective Exchange operators can apply under these Rules and get authorization from the Coal Controller for setting up of an Exchange. The operations of the Coal Exchange would broadly be guided by the Regulations made by the CCO.

5. All the stakeholders are requested to send their comments / suggestions through email in MS-Office Word Format to the email socpd.moc@nic.in within 30 days of publication of this notice. The subject of the mail sent on the email id given should clearly mention "Comments / Suggestions on the proposed Coal Exchange(s)".

6. Alternatively, comments / suggestions may also be addressed to the Under Secretary, CPD Section, Ministry of Coal, Government of India, Shastri Bhawan, New Delhi – 110001. The envelope may be superscribed with "Comments / Suggestions on the proposed Coal Exchange(s)".



(Deputy Secretary to Govt of India)



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EXTRAORDINARY

भाग II — खण्ड 1

PART II — Section 1

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं० 33] नई दिल्ली, बृहस्पतिवार, अगस्त 21, 2025/श्रावण 30, 1947 (शक)

No. 33] NEW DELHI, THURSDAY, AUGUST 21, 2025/SHRAVANA 30, 1947 (Saka)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

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

MINISTRY OF LAW AND JUSTICE (Legislative Department)

New Delhi, the 21st August, 2025/Shravana 30, 1947 (Saka)

The following Act of Parliament received the assent of the President on the 21st August, 2025 and is hereby published for general information:—

THE MINES AND MINERALS (DEVELOPMENT AND REGULATION) AMENDMENT ACT, 2025

No. 28 OF 2025

[21st August, 2025.]

An Act further to amend the Mines and Minerals (Development and Regulation) Act, 1957.

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

1. (1) This Act may be called the Mines and Minerals (Development and Regulation) Amendment Act, 2025.

Short title and
commencement.

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

67 of 1957.

2. In the Mines and Minerals (Development and Regulation) Act, 1957 (hereinafter referred to as the principal Act), in section 3, after clause (ae), the following clause shall be inserted, namely:—

Amendment of
section 3.

“(af) “mineral exchange” means an electronic trading platform or marketplace registered in accordance with the provisions of this Act, where buyers and sellers of minerals, its concentrate or its processed forms (including metals), transact, trade and enter into contract, including in derivatives;”.

Insertion of new section 6A.

Inclusion of contiguous area in the leased area or area under composite licence in case of deep-seated minerals.

3. In the principal Act, after section 6, the following section shall be inserted, namely:—

‘6A. (1) Notwithstanding anything contained in section 10,—

(a) a holder of a mining lease of deep-seated mineral, may apply for a one-time extension of the existing leased area to include therein a contiguous area not exceeding ten per cent. of the existing leased area;

(b) a holder of a composite licence in respect of deep-seated mineral, may apply for a one-time extension of the area under the composite licence, to include therein a contiguous area not exceeding thirty per cent. of the existing area under the licence.

(2) Upon receipt of such application, the State Government may extend the existing leased area or the area under composite licence, as the case may be, to include therein the contiguous area subject to such terms and conditions and on payment of such additional amount as may be prescribed by the Central Government.

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

Amendment of section 8A.

4. In the principal Act, in section 8A, in sub-section (7A),—

(i) the words “up to fifty per cent. of the total mineral produced in a year” shall be omitted;

(ii) for the first proviso, the following shall be substituted, namely:—

“Provided that the State Government may permit sale of dumps which has been stacked up to such date as may be specified by the Central Government in the leased area on payment of additional amount specified in the Sixth Schedule.”.

Amendment of section 9C.

5. In the principal Act, in section 9C,—

(i) for the marginal heading, the following marginal heading shall be substituted, namely:—

“National Mineral Exploration and Development Trust.”;

(ii) in sub-section (1), for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted;

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

“(2) The object of the Trust shall be to use the funds accrued to the Trust within India, including the offshore areas, and outside India for the purposes of regional and detailed exploration and development of mines and minerals in such manner as may be prescribed by the Central Government.”;

(iv) in sub-section (4), for the words “two per cent.”, the words “three per cent.” shall be substituted;

(v) in sub-section (5), for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted.

6. In the principal Act, in section 10B, in sub-section (2), the words “, after obtaining the previous approval of the Central Government,” shall be omitted.

Amendment of section 10B.

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

Amendment of section 13.

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

“(ka) terms and conditions and additional amount under sub-section (2) of section 6A;”;

(ii) in clauses (qqb), (qqc) and (qqd), for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted;

(iii) after clause (xb), the following clause shall be inserted, namely:—

“(xc) conditions for inclusion of any mineral other than minor mineral in a lease granted in respect of a minor mineral under sub-section (5) of section 15B;”.

8. In the principal Act, after section 15A, the following section shall be inserted, namely:—

Insertion of new section 15B.

“15B. (1) A holder of a mining lease may apply to the State Government for inclusion of any other mineral in his mining lease on the basis of a geological report in relation to that lease and the State Government shall permit inclusion of such mineral within sixty days of such application, subject to the payment of such additional amount on dispatch of the included mineral as specified in the Eighth Schedule.

Inclusion of other minerals in mining lease.

(2) The Central Government may, by notification in the Official Gazette, and for reasons to be recorded in writing, amend the Eighth Schedule so as to modify the entries mentioned therein with effect from such date as may be specified in the said notification.

(3) The holder of mining lease shall submit such reports or returns to the State Government and any other authority in respect of the included mineral as may be specified by the Central Government.

(4) The provision of this section shall apply for inclusion of any minor mineral in a lease granted in respect of a mineral other than minor mineral and the State Government may, by notification in the Official Gazette, specify the royalty and other payments to be made by the lessee on dispatch of such included minor mineral.

(5) Inclusion of any mineral other than minor mineral in a lease granted in respect of a minor mineral shall be made in accordance with the conditions as may be prescribed for this purpose by the Central Government and such rules may provide for all or any of the matters, namely:—

(i) the extent of presence of mineral other than minor mineral as compared to minor mineral in the lease;

(ii) termination of the lease in the interest of regulation of mines and mineral development and grant of a fresh lease in the area as a lease in respect of mineral other than minor mineral;

(iii) regulation of such lease as a lease granted for mineral other than minor minerals;

(iv) additional payment as specified in the Eighth Schedule to be made upon inclusion of a mineral other than minor mineral.

(6) Any mineral may be included under this section in a mining lease granted in respect of atomic mineral specified in Part B of the First Schedule where the grade of atomic mineral is equal to or above the notified threshold value with prior approval of the Central Government.

(7) No atomic mineral as specified in Part B of the First Schedule where the grade of atomic mineral is equal to or above the notified threshold value shall be included in the mining lease granted in respect of minerals other than such atomic minerals.”

Insertion of new section 18B.

Development of market.

9. In the principal Act, after section 18A, the following section shall be inserted, namely:—

“18B. (1) The Central Government shall endeavour to promote development of market, including trading of minerals, its concentrate or its processed forms (including metals) through mineral exchanges in such manner as may be prescribed by the Central Government.

(2) The Central Government may, by notification in the Official Gazette, appoint any authority to register and regulate mineral exchanges.

(3) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) registration of mineral exchanges and revocation of such registration;

(b) regulation of all aspects and activities of mineral exchanges and market oversight;

(c) levy of fees and other charges;

(d) maintenance of a data bank of information on activities relating to mineral trading on mineral exchanges;

(e) prevention of cartelization, insider trading, circular trading, market manipulation and any other matter which is detrimental to the participants of the mineral exchanges;

(f) grievance redressal of participants of mineral exchanges; and

(g) any other matter which is to be, or may be, prescribed.”

Amendment of Fifth Schedule.

10. In the principal Act, in the Fifth Schedule,—

(i) for serial number 2 and the entries relating thereto, the following serial numbers and the entries shall be substituted, namely:—

| | | |
|-----|--|------------|
| “2. | Minerals specified in Part-D of the First Schedule | <i>Nil</i> |
|-----|--|------------|

| | | |
|-----|---|--|
| 2A. | Minerals specified in Seventh Schedule (other than those specified in Part-D of the First Schedule) | Equivalent to fifty per cent. of the royalty payable”; |
|-----|---|--|

(ii) in the *Explanation*, for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted.

Amendment of Sixth Schedule.

11. In the principal Act, in the Sixth Schedule,—

(i) under the sub-heading (i) for non-auctioned captive mines (other than coal and lignite), after serial number 5 and the entries relating thereto, the following serial numbers and the entries shall be inserted, namely:—

| | | |
|------|--|--------------|
| “5A. | Minerals specified in Part-D of the First Schedule | <i>Nil”;</i> |
|------|--|--------------|

(ii) in the *Explanation*, under clause (a), for the words “National Mineral Exploration Trust”, the words “National Mineral Exploration and Development Trust” shall be substituted.

12. In the principal Act, after the Seventh Schedule, the following Schedule shall be inserted, namely:—

Insertion of new Schedule.

“THE EIGHTH SCHEDULE

[See section 15B(1), (2) and (5)]

| Type of mining lease | Additional amount in case the included mineral is a mineral specified in Part-D of the First Schedule or the Seventh Schedule | Additional amount in case the included mineral is not a mineral specified in Part-D of the First Schedule or the Seventh Schedule |
|---|---|---|
| (1) | (2) | (3) |
| (i) Auctioned mining lease (including coal and lignite mining lease auctioned on revenue share basis for sale of coal). | <i>Nil.</i> | <i>Nil.</i> |
| (ii) Non-auctioned mining lease. | <i>Nil.</i> | Equivalent to amount of royalty on the included mineral. |
| (iii) Coal and lignite mining lease auctioned on per tonne basis or power tariff basis. | <i>Nil.</i> | Equivalent to amount of royalty on the included mineral. |

Explanation.—For the purpose of this Schedule, it is hereby clarified that—

(i) the additional amount shall be in addition to royalty or payment to the District Mineral Foundation and National Mineral Exploration and Development Trust or any other statutory payment;

(ii) in case an additional amount specified in the Fifth Schedule is paid by the lessee in respect of a mineral, no additional amount under this Schedule shall be payable in respect of such included mineral;

(iii) in case of auctioned mines,—

(a) auction premium shall not be payable in respect of the included mineral if the included mineral is a mineral specified in Part-D of the First Schedule or the Seventh Schedule;

(b) auction premium shall be payable in respect of the included mineral if the included mineral is not a mineral specified in Part-D of the First Schedule or the Seventh Schedule.”.

DR. RAJIV MANI,
Secretary to the Govt. of India.

[To be published in Gazette of India, Extraordinary, Part II, Section 3, Sub-section(i)]

Ministry of Coal

Notification

New Delhi, the 2025

DRAFT RULES

1. Short Title and Commencement – (1) These Rules may be called the “**Coal Exchange Rules, 2025**”.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions – (1) In these Rules, unless the context otherwise requires,

a) “**Coal Exchange**” means a mineral exchange in terms of clause (af) of section 3 of the Act, where buyers and sellers of coal and/or lignite, or its processed forms, transact, trade and enter into contract on an online platform;

(2) Words and expressions used and not defined in these Rules but defined in the Act, or in other Rules made thereunder, shall have the same meaning respectively assigned to them in the Act, or the Rules made thereunder.

3. Appointment of authority for regulation of Coal Exchange- (1) The Coal Controller Organisation (hereinafter referred to as ‘the CCO’) shall be the authority to register and regulate Coal Exchange(s) in terms of clause 2 of section 18B of the Act.

(2) No person shall conduct, organise or assist in setting up or operating any Coal Exchange unless that person has registered in accordance with the Regulations

notified by the CCO.

(3) The CCO shall inter-alia prepare detailed Regulations as under:

(a) Registration and Revocation of the Coal Exchange(s).

(b) Notification of the fees and other charges payable by the Coal Exchange(s) as well as other market participants, which shall include but not limited to registration fees, annual registration charges and any other charges that may be required for exchange operations.

(c) Maintenance and preservation of accurate and complete books of accounts, transaction records, and other relevant information of the Coal Exchange(s).

Provided that the books of accounts and transaction records shall be kept in a manner that allows for easy inspection and verification, and shall include all details of trades, transactions, and other activities conducted on the Coal Exchange(s), including records of orders, trades, settlements, and positions.

Provided further that the CCO may also require the Coal Exchange(s) to preserve and provide access to additional information, such as audit trails, system logs, and any other data, as may be necessary to ensure compliance with regulatory requirements.

(d) Market oversight and surveillance over the activities of the Coal Exchange(s) to ensure compliance with applicable Laws and Rules and to check market integrity, namely, prevention of cartelization, insider trading, circular trading, market manipulation and any other matter related thereto.

(e) Notification of guidelines and procedures for the creation of Dispute Resolution and Grievance Redressal system for the activities related to the Coal Exchange(s) and other market participants.

(f) Any other matter related to Coal Exchange, in consultation with the Central

Government.

4. Regulations sought to be issued under clause 3 of these Rules shall be issued after circulating draft Regulations for public consultation and conducting hearing of claims and objections. Statement of Reasons shall be appended to the draft Regulations as well as final Regulations.

5. The fees and charges levied under the Regulations notified by the CCO under provisions of clause (b) of Rule 3 of these Rules shall be commensurate with requirements of the CCO.

Provided that upto financial year 2027-28, any fund requirement of the CCO for carrying out the activities covered under these Rules may be requisitioned by the CCO as part of its budget requirements presented to the Ministry of Coal. For subsequent years, such requirements shall be met from fees and charges collected.

Provided further that the CCO shall maintain separate accounts for the income accrued and expenses incurred on account of Regulations issued by it.

6. Officers and staff of the CCO dealing with affairs of Coal Exchange(s) and connected matters shall not be involved in any other work of the office of CCO, as far as possible.

No additional salary, allowances or remuneration of any nature shall be payable to existing officers and staff of the CCO for matters related to operation of Coal Exchange(s) or connected matters.

7. The CCO may issue orders or directions to the Coal Exchange(s) as may be necessary to maintain fair and orderly trading practices, to protect the interests of market participants, and/or to prevent any potential market

abuses.

Provided that no orders or directions shall be issued without according the affected parties an opportunity of being heard.

Provided further that all orders or decisions shall be in writing and be communicated to the parties through recognized means of communications as well as uploaded on the website of the CCO.

8. The CCO shall get investigation or enquiry conducted into any suspected irregularities under these Rules or the Regulations made under these Rules, and take such action that may be necessary.

9. The participation in the Coal Exchange is voluntary in nature.

10. The CCO shall submit a quarterly report to the Central Government. The report may include all important information relating to the proceedings held and policies introduced during the previous quarter and may also contain statements of annual accounts under these Rules.

11. The Central Government may issue directions to the CCO consistent with provisions of the Act and the CCO shall take steps to comply with the same.

(-----)