

# THE COAL MINES (NATIONALISATION) ACT, 1973

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THE SCHEDULE.

# THE COAL MINES (NATIONALISATION) ACT, 1973

ACT NO. 26 OF 1973

[30th May, 1973.]

An Act to provide for the acquisition and transfer of the right, title and interest of the owners in respect of the coal mines specified in the Schedule with a view to re-organising and reconstructing such coal mines so as to ensure the rational, co-ordinated and scientific development and utilisation of coal resources consistent with the growing requirements of the country, in order that the ownership and control of such resources are vested in the State and thereby so distributed as best to subserve the common good, and for matters connected therewith or incidental thereto.

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

## CHAPTER I

### PRELIMINARY

**1. Short title and commencement.**—(1) This Act may be called the Coal Mines (Nationalisation) Act, 1973.

(2) The provisions of sections 30 and 31 shall come into force at once and the remaining provisions of this Act shall be deemed to have come into force on the 1st day of May, 1973.

<sup>1</sup>[**1A. Declaration as to expediency of Union control.**—(1) It is hereby declared that it is expedient in the public interest that the Union should take under its control the regulation and development of coal mines to the extent hereinafter provided in sub-sections (3) and (4) of section 3 <sup>2</sup>[, section 3A] and sub-section (2) of section 30.

(2) The declaration contained in sub-section (1) is in addition to, and not in derogation of, the declaration contained in section 2 of the Mines and Minerals (Regulation and Development) Act, 1957 (67 of 1957).]

**2. Definitions.**—In this Act, unless the context otherwise requires,—

(a) “appointed day” means the 1st day of May, 1973;

(b) “coal mine” means a mine in which there exists one or more seams of coal;

(c) “company” means a company as defined in section 3 of the Companies Act, 1956 (1 of 1956), and includes a foreign company within the meaning of section 591 of that Act;

(d) “Commissioner” means the Commissioner of Payments appointed under section 17;

(e) “Custodian” means the Custodian appointed under sub-section (2) of section 11, to take over, or carry on, the management of a coal mine;

(f) “Government company” has the meaning assigned to it by section 617 of the Companies Act, 1956 (1 of 1956);

(g) “managing contractor” means the person, or body of persons, who, with the previous consent, in writing, of the State Government, has entered into an arrangement, contract or understanding, with the owner of a coal mine under which the operations of the coal mine are substantially controlled by such person or body of persons;

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1. Ins. by Act 67 of 1976, s. 2 (w.e.f. 29-4-1976).

2. Ins. by Act 11 of 2015, s. 28 and Schedule IV (w.e.f. 21-10-2014).

(h) “mine” means any excavation where any operation for the purpose of searching for or obtaining minerals has been or is being carried on, and includes—

(i) all borings and bore holes;

(ii) all shafts, whether in the course of being sunk or not;

(iii) all levels and inclined planes in the course of being driven;

(iv) all open cast workings;

(v) all conveyors or aerial ropeways provided for bringing into or removal from a mine of minerals or other articles or for the removal of refuse therefrom;

(vi) all lands, buildings, works, adits, levels, planes, machinery and equipments, instruments, stores, vehicles, railways, tramways and sidings in, or adjacent to, a mine and used for the purposes of the mine;

(vii) all workshops (including buildings, machinery, instruments, stores, equipment of such workshops and the lands on which such workshops stand) in, or adjacent to, a mine and used substantially for the purposes of the mine or a number of mines under the same management;

(viii) all coal belonging to the owner of the mine, whether in stock or in transit, and all coal under production in a mine;

(ix) all power stations in a mine or operated primarily for supplying electricity for the purpose of working the mine or a number of mines under the same management;

(x) all lands, buildings and equipments belonging to the owner of the mine, and in, adjacent to or situated on the surface of, the mine where the washing of coal obtained from the mine or manufacture, therefrom, of coke is carried on;

(xi) all lands and buildings [other than those referred to in sub-clause (x)], wherever situated, if solely used for the location of the management, sale or liaison offices, or for the residence of officers and staff, of the mine;

<sup>1</sup>[(xii) all other fixed assets, movable and immovable, belonging to the owner of a mine, wherever situated, and current assets, belonging to a mine, whether within its premises or outside.

*Explanation.*—The expression “current assets” does not include,—

(a) dues representing the sale of coal and coal products effected at any time before the appointed day and outstanding immediately before the said day;

(b) dues from the Coal Board, established under section 4 of the Coal Mines (Conservation, Safety and Development) Act, 1952 (12 of 1952), prior to the repeal of the said Act, with respect to any period before the appointed day;

(c) dues from sundry debtors, loans and advances to other parties and investments, not being investments in the coal mine;

(d) security deposits made by the owners with the Coal Controller appointed by the Central Government or with the Railways for the fulfilment of contracts or with a State Electricity Board for the payment of bills;

(e) earnest money deposited by the owners with the Railways for obtaining contracts;]

(i) “Mineral Concession Rules” means the rules, for the time being in force, made under the Mines and Minerals (Regulation and Development) Act, 1957 (67 of 1957);

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1. Subs. by Act 22 of 1978, s. 10, for sub-clause (xii) (w.e.f. 1-5-1973).



(c) no lease for winning or mining coal shall be granted in favour of any person other than the Government, company or corporation, referred to in clause (a):

Provided that the Government, company or corporation to whom a lease for winning or mining coal has been granted may grant a sub-lease to any person in any area on such terms and conditions as may be specified in the instrument granting the sub-lease, if the Government, company or corporation is satisfied that—

(i) the reserves of coal in the area are in isolated small pockets or are not sufficient for scientific and economical development in a co-ordinated and integrated manner, and

(ii) the coal produced by the sub-lessee will not be required to be transported by rail.

(4) Where a mining lease stands terminated under sub-section (3), it shall be lawful for the Central Government or a Government, company or corporation owned or controlled by the Central Government to obtain, <sup>1\*\*\*</sup> a prospecting licence or a mining lease in respect of the whole or part of the land covered by the mining lease which stands so terminated.]

<sup>2</sup>[(5) If, after the appointed day, the Central Government is satisfied, whether from any information received by it or otherwise, that there has been any error, omission or misdescription in relation to the particulars of a coal mine included in the Schedule or the name and address of the owner of any such coal mine, it may, by notification, correct such error, omission or misdescription and on the issue of such notification, the relevant entries in the Schedule shall be, and shall be deemed always to have been, corrected accordingly:

Provided that no such correction in relation to the ownership of a coal mine shall be made where such ownership is in dispute.]

<sup>3</sup>[**3A. Mining operation by company and others.**—(1) Notwithstanding anything contained in this Act, any person being—

(a) a Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be, or any other company incorporated in India; or

(b) a company or a joint venture company formed by two or more companies,

may carry on coal mining operations in India, in any form either for own consumption, sale or for any other purpose in accordance with the prospecting licence or mining lease, as the case may be.

(2) The Central Government may, with a view to rationalise such coal mines so as to ensure the coordinated and scientific development and utilisation of coal resources consistent with the growing requirements of the country, from time to time, prescribe—

(i) the coal mines or coal bearing areas and their location;

(ii) the minimum size of the coal mine or coal bearing areas;

(iii) such other conditions,

which in the opinion of that Government may be necessary for the purpose of coal mining operations or mining for sale by a company.

*Explanation.*—For the purposes of this section, “company” means a company as defined in clause (20) of section 2 of the Companies Act, 2013 (18 of 2013).]

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1. Certain words, brackets and figures omitted by 57 of 1986, s. 11 (w.e.f. 1-5-1973).

2. Ins. by s. 11, *ibid.* (w.e.f. 1-5-1973).

3. Ins. by Act 11 of 2015, s. 28 and Schedule IV (w.e.f. 21-10-2014).

**4. Central Government to be the lessee of the State Government.**—(1) Where the rights of an owner under any mining lease granted, or deemed to have been granted, in relation to a coal mine, by a State Government or any other person, vest in the Central Government under section 3, the Central Government shall, on and from the date of such vesting, be deemed to have become the lessee of the State Government or such other person, as the case may be, in relation to such coal mine <sup>1</sup>[as if a fresh mining lease] in relation to such coal mine had been granted to the Central Government and the period of such lease shall be <sup>2</sup>[the maximum period] for which such lease could have been granted by the State Government or such other person under the Mineral Concession Rules, and thereupon all the rights under such mining lease, including surface, underground and other rights granted to the lessee shall be deemed to have been transferred to, and vested in, the Central Government.

(2) On the expiry of the term of any lease, referred to in sub-section (1), such lease shall, if so desired by the Central Government, be renewed, <sup>3\*\*\*</sup> by the lessor, for the maximum period for which such lease can be renewed under the Mineral Concession Rules.

**5. Power of Central Government to direct vesting of rights in a Government company.**—(1) Notwithstanding anything contained in sections 3 and 4, the Central Government may, if it is satisfied that a Government company is willing to comply, or has complied, with such terms and conditions as that Government may think fit to impose, direct, by an order in writing, that the right, title and interest of an owner in relation to a coal mine referred to in section 3, shall, instead of continuing to vest in the Central Government, vest in the Government company either on the date of publication of the direction or on such earlier or later date (not being a date earlier than the appointed day), as may be specified in the direction.

(2) Where the right, title and interest of an owner in relation to a coal mine vest in a Government company under sub-section (1), the Government company shall, on and from the date of such vesting, be deemed to have become the lessee in relation to such coal mine as if a mining lease in relation to the coal mine had been granted to the Government company and the period of such lease shall be the entire period for which such lease could have been granted under the Mineral Concession Rules; and all the rights and liabilities of the Central Government in relation to such coal mine shall, on and from the date of such vesting, be deemed to have become the rights and liabilities, respectively, of the Government company.

(3) The provisions of sub-section (2) of section 4 shall apply to a lease which vests in a Government company as they apply to a lease vested in the Central Government and references therein to the “Central Government” shall be construed as references to the Government company.

**6. Properties vested in the Central Government to be freed from mortgages, etc.**—(1) All property which vests in the Central Government or in a Government company under this Chapter shall, by force of such vesting, be freed and discharged from any trust, obligation, mortgage, charge, lien and all other incumbrances affecting it and any attachment, injunction or decree or order of any court restricting the use of such property in any manner shall be deemed to have been withdrawn.

(2) Every mortgagee of any property which has vested under this Act in the Central Government or a Government company, and every person holding any charge, lien or other interest in or in relation to any such property shall give, within such time and in such manner as may be prescribed, an intimation to the Commissioner of such mortgage, charge, lien or other interest.

(3) For the removal of doubts, it is hereby declared that the mortgagee of any property referred to in sub-section (1) or any other person holding any charge, lien or other interest in, or in relation to any, such property shall be entitled to claim, in accordance with his rights and interests, payment of the mortgage money or other dues, in whole or in part, out of the amount specified in relation to such property in the

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1. Subs. by Act 57 of 1986, s. 12, for “as if a mining lease” (w.e.f. 1-5-1973).

2. Subs. by s.12, *ibid.*, for “the entire period” (w.e.f. 1-5-1973).

3. Certain words omitted by s. 12, *ibid.* (w.e.f. 1-5-1973).

Schedule, but no such mortgage, charge, lien or other interest shall be enforceable against any property which has vested in the Central Government or the Government company.

**7. Central Government or Government company not to be liable for prior liabilities.**—<sup>(1)</sup> Every liability of the owner, agent, manager or managing contractor of a coal mine, in respect of any period prior to the appointed day, shall be the liability of such owner, agent, manager or managing contractor, as the case may be, and shall be enforceable against him and not against the Central Government or the Government company.

(2) For the removal of doubts, it is hereby declared that—

(a) save as otherwise provided elsewhere in this Act, no claim for wages, bonus, royalty, rate, rent, taxes, provident fund, pension, gratuity or any other dues in relation to a coal mine in respect of any period prior to the appointed day, shall be enforceable against the Central Government or the Government company;

(b) no award, decree or order of any court, tribunal or other authority in relation to any coal mine passed after the appointed day, but in relation to any matter, claim or dispute which arose before that day, shall be enforceable against the Central Government or the Government company;

(c) no liability for the contravention, before the appointed day, of any provision of law for the time being in force, shall be enforceable against the Central Government or the Government company.

### CHAPTER III

#### PAYMENT OF AMOUNT

**8. Payment of amount to owners of coal mines.**—<sup>1</sup>[(1)] The owner of every coal mine or group of coal mines specified in the second column of the Schedule, shall be given by the Central Government, in cash and in the manner specified in Chapter VI, for the vesting in it, under section 3, of the right, title and interest of the owner in relation to such coal mine or group of coal mines, an amount equal to the amount specified against it in the corresponding entry in the fifth column of the Schedule.

<sup>2</sup>[(2) For the removal of doubts, it is hereby declared that the amount specified in the fifth column of the Schedule against any coal mine or group of coal mines specified in the second column of the said Schedule and required to be given by the Central Government to its owner under sub-section (1) shall be deemed to include, and deemed always to have included, the amount required to be paid to such owner in respect of all coal in stock or other assets referred to in clause (h) of section 2 on the date immediately before the appointed day and no further amount shall be payable to the owner in respect of such coal or other assets.]

**9. Payment of further amount.**—<sup>(1)</sup> In consideration of the retrospective operation of the provisions of sections 3, 4 and 5, there shall be given by the Central Government, in cash, to the owner of every coal mine or group of coal mines specified in the Schedule, an amount equal to the amount which would have been, but for the provisions of the said sections 3, 4 and 5, payable to such owner under the Coal Mines (Taking Over of Management) Act, 1973 (15 of 1973), for the period commencing on the 1st day of May, 1973, and ending on the date on which this Act receives the assent of the President.

(2) In addition to the amount referred to in sub-section (1), there shall be given by the Central Government, in cash, to the owner of every coal mine or group of coal mines specified in the Schedule, simple interest at the rate of four per cent. per annum on the amount specified against such owner in the corresponding entry in the fifth column of the Schedule for the period commencing on the date on which

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1. Section 8 renumbered as sub-section (1) thereof by Act 57 of 1986, s. 13 (w.e.f. 1-5-1973).

2. Ins. by s. 13, *ibid.* (w.e.f. 1-5-1973).



this Act receives the assent of the President and ending on the date on which payment of such amount is made by the Central Government to the Commissioner.

(3) The amounts referred to in sub-section (1) and sub-section (2) shall be in addition to the amount specified in the Schedule.

**10. Income derived by the owners of coal mines after the appointed day to be refunded to the Central Government.**—(1) Where, in pursuance of any decree, order or injunction of a court or otherwise, the Central Government or the Custodian appointed under the Coal Mines (Taking Over of Management) Act, 1973 (15 of 1973), was prevented from taking over the management of any coal mine, the owner of such coal mine shall render, within sixty days from the date on which management of the coal mine is delivered to the Central Government or Government company, as the case may be, accounts in relation to the period commencing on the date of commencement of the said Act and ending on the date of delivery of such management to the Central Government or the Government company, as the case may be, with regard to the—

- (a) assets and stores of the coal mine acquired or sold by him during the said period;
- (b) coal sold or despatched during the said period;
- (c) income derived by him from the coal mine during the said period.

(2) If, on examination of the accounts referred to in sub-section (1), any income is found to have been derived by the owner from the coal mine during the period referred to in that sub-section, such income shall be recoverable by the Central Government from the amount payable under section 8 to the owner of such coal mine, and, the debt due to the Central Government on this account shall rank as an unsecured debt.

(3) If no account is rendered by the owner of a coal mine within the period referred to in sub-section (1) or if the Central Government or the Government company has any reason to believe that the account rendered by such owner is incorrect or false in material particulars, the Central Government or the Government company may refer the matter to the Commissioner and thereupon the Commissioner shall determine the income derived by the owner from the coal mine during the period referred to in sub-section (1), and take steps to recover the said income from the amount payable to the owner of the coal mine under section 8, as if the debt due to the Central Government on this account were an unsecured debt.

(4) No mortgage, charge, lien or other incumbrance in relation to a coal mine or any asset thereof shall be binding on the Central Government or the Government company if such mortgage, charge, lien or other incumbrance was created, at any time during the period in which the Central Government or the Custodian was prevented, by any decree, order or injunction of a court or otherwise, from taking over the management of the said coal mine.

## CHAPTER IV

### MANAGEMENT, ETC., OF COAL MINES

**11. Management, etc., of coal mines.**—(1) The general superintendence, direction, control and management of the affairs and business of a coal mine, the right, title and interest of an owner in relation to which have vested in the Central Government under section 3, shall,—

- (a) in the case of a coal mine in relation to which a direction has been made by the Central Government under sub-section (1) of section 5, vest in the Government company specified in such direction, or
- (b) in the case of a coal mine in relation to which no such direction has been made by the Central Government, vest in one or more Custodians appointed by the Central Government under sub-section (2),

and thereupon the Government company so specified or the Custodian so appointed, as the case may be, shall be entitled to exercise all such powers and do all such things as the owner of the coal mine is authorised to exercise and do.

(2) The Central Government may appoint an individual or a Government company as the Custodian of a coal mine in relation to which no direction has been made by it under sub-section (1) of section 5.

**12. Duty of persons in charge of management of coal mines to deliver all assets, etc.**—(1) On the vesting of the management of a coal mine in a Government company or on the appointment of a Custodian, all persons in charge of the management of such coal mine immediately before such vesting or appointment, shall be bound to deliver to the Government company or the Custodian, as the case may be, all assets, books of account, registers or other documents in their custody relating to the coal mine.

(2) The Central Government may issue such directions as it may deem desirable in the circumstances of the case to the Government company or Custodian as to its or his powers and duties and the Government company or Custodian may also, if it or he so desires, apply to the Central Government at any time for instructions as to the manner in which the management of the coal mine shall be conducted by it or him or in relation to any other matter arising in the course of such management.

(3) The Custodian shall receive from the funds of the coal mine, in relation to which he or it is the Custodian, such remuneration as the Central Government may fix and shall hold office during the pleasure of the Central Government.

**13. Accounts and audit.**—The Custodian of every coal mine shall maintain the accounts of such mine in such manner and under such conditions as may be prescribed.

## CHAPTER V

### PROVISIONS RELATING TO EMPLOYEES OF COAL MINES

<sup>1</sup>**[14. Liability of officer or other employee of a coal mine for transfer to any other coal mine.**—Notwithstanding anything contained in the Industrial Disputes Act, 1947 (14 of 1947), or in any other law for the time being in force, the services of any officer or other employee employed in a coal mine shall be liable to be transferred to any other coal mine and such transfer shall not entitle such officer or other employee to any compensation under this Act or any other law for the time being in force and no such claim shall be entertained by any court, tribunal or other authority.]

**15. Provident and other funds.**—(1) Where a coal mine has established a provident fund, superannuation, welfare or other fund for the benefit of its employees, the monies relatable to the employees, whose services have become transferred by or under this Act to the Central Government or a Government company shall, out of the monies standing, on the appointed day, to the credit of such provident fund, superannuation, welfare or other fund, stand transferred to, and vest in, the Central Government or the Government company, as the case may be.

(2) The monies which stand transferred, under sub-section (1), to the Central Government or a Government company shall be dealt with by that Government or company, as the case may be, in such manner as may be prescribed.

**16. Superannuation fund, etc., to be distributed to employees whose employment becomes terminated under this Act.**—Where the employment of an employee stands terminated by reason of sub-section (3) of section 14 and such employee is not employed by the owner of the coal mine in any of his other establishments, such owner shall pay to such employee the amount standing at his credit in the provident fund and also pay him the amounts due to him as superannuation, welfare and other benefits admissible to him as if the employee had superannuated or his service with the coal mine had terminated on the day immediately preceding the specified date.

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1. Subs. by Act 57 of 1986, s. 14, for section 14 (w.e.f. 1-5-1973).

CHAPTER VI  
COMMISSIONER OF PAYMENTS

**17. Commissioner of Payments to be appointed.**—(1) For the purpose of disbursing the amounts payable to the owner of each coal mine or group of coal mines, the Central Government shall appoint such person as it may think fit to be the Commissioner of Payments.

(2) The Central Government may appoint such other persons as it may think fit to assist the Commissioner and thereupon the Commissioner may authorise one or more of such persons to also exercise all or any of the powers exercisable by him under this Act, and different persons may be authorised to exercise different powers.

(3) Any person authorised by the Commissioner to exercise any powers may exercise those powers in the same manner and with the same effect as if they have been conferred on that person directly by this Act and not by way of authorisation.

(4) The salaries and allowances of the Commissioner and other persons appointed under this section shall be defrayed out of the Consolidated Fund of India.

**18. Payment by the Central Government to the Commissioner.**—(1) The Central Government shall, within thirty days from the specified date, pay, in cash, to the Commissioner for payment to the owner of a coal mine, an amount equal to the amount specified against the coal mine in the Schedule and shall also pay to the Commissioner such sums as may be due to the owner of a coal mine under section 9.

(2) In addition to the sum referred to in sub-section (1), the Central Government shall pay, in cash, to the Commissioner, such amount as may become due to the owner of a coal mine in relation to <sup>1</sup>[the period] during which the management of the coal mine remains vested in the Central Government <sup>2</sup>[, and simple interest at the rate of four per cent. per annum on such amount for the period commencing on the 1st day of July, 1975 and ending on the date of payment of such amount to the Commissioner].

(3) A deposit account shall be opened by the Central Government, in favour of the Commissioner, in the Public Account of India, and every amount paid under this Act to the Commissioner shall be deposited by him to the credit of the said deposit account in the Public Account of India, and thereafter the said deposit account shall be operated by the Commissioner.

(4) Separate records shall be maintained by the Commissioner in respect of each coal mine in relation to which payments have been made to him under this Act.

(5) Interest accruing on the amounts standing to the credit of the deposit account referred to in sub-section (3) shall ensure to the benefit of the owners of coal mines <sup>2</sup>[and shall also be payable to the Commissioner in addition to the sum referred to in sub-section (1)].

(6) References in this section to the owner of a coal mine shall, in relation to a group of coal mines specified in the Schedule, be construed as references to the owner of that group of coal mines.

**19. Statement of accounts in respect of the period of management by the Central Government, etc.**—(1) The Central Government or the Government company, as the case may be, shall cause the books in relation to each coal mine, the management of which has vested in it under the Coal Mines (Taking Over of Management) Act, 1973 (15 of 1973), to be closed and balanced as on the date immediately before the appointed day, and shall cause a statement of accounts, as on that day, to be prepared, within such time, in such form and in such manner as may be prescribed, in relation to each such mine in respect of the transactions effected by it during the period for which the management of such coal mine remained vested in it:

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1. Subs. by Act 22 of 1978, s. 11, for “any period, after the appointed day,” (w.e.f. 27-5-1978).

2. Ins. by Act 57 of 1986, s. 15 (w.e.f. 1-5-1973).

Provided that where two or more coal mines were owned, before the commencement of this Act, by the same owner, a consolidated statement of accounts may be prepared for all the coal mines owned by such owner.

(2) All amounts received by the Central Government or the Government company after the closure of such accounts shall, where such accounts relate to transactions effected before the appointed day, be included in the said statement of accounts in respect of the coal mine to which the said receipt relates.

(3) The Central Government or the Government company in which the right, title and interest of coal mine stand vested shall be entitled to receive, up to the specified date, to the exclusion of all other persons, any money, due to the coal mine, realised after the appointed day notwithstanding that the realisations pertain to a period prior to the appointed day:

Provided that where such realisations have not been included in the statement of accounts as on the day immediately before the appointed day, a supplementary statement of accounts shall be prepared and furnished, at such intervals as may be prescribed, by the Central Government or the Government company to the owner of the coal mine.

<sup>1</sup>[(4) The liabilities of the coal mine (not being liabilities arising out of advances made by the Central Government or the Government company), which could not be discharged by the appointed day, may be discharged by the Central Government or the Government company up to the specified date out of the realisations effected before or after the appointed day or out of advances or borrowings made up to the specified date and every payment so made shall be included in the statement of accounts as on the date immediately before the appointed day indicating therein the period in relation to which the payments were made and the payments so made shall not be called in question in any court:

Provided that the liabilities in relation to the period prior to the appointed day, which have not been discharged on or before the specified date, shall be the liabilities of the owner of the coal mine.]

(5) A copy of each statement of accounts prepared under this section shall be delivered by the Central Government or the Government company, as the case may be, to the Commissioner and also to the owner:

Provided that where the number of owners is more than one, only one copy of the statement of accounts shall be given to the owners for the benefit of all of them.

(6) The statement of accounts prepared under this section shall be audited by a person who is qualified to be appointed as an auditor of a company under section 226 of the Companies Act, 1956 (1 of 1956), and the auditor so appointed shall receive from the funds of the coal mine, such remuneration as the Central Government may fix.

(7) The audit of the statement of accounts shall be conducted in such manner as the Central Government may direct.

<sup>2</sup>[(8) The statement of accounts audited under sub-section (6) shall, unless the contrary is proved, be conclusive proof in respect of every matter entered therein.

*Explanation.*—For the purposes of this section, “statement of accounts” means a statement in the form of receipts and payments, and does not include any statement that may be prepared as a result of the closing and balancing of the books for the preparation of the profit and loss account and balance-sheet or any statement prepared in accordance with the normal commercial practice.]

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1. Subs. by Act 57 of 1986, s. 16, for sub-section (4) (w.e.f. 1-5-1973).

2. Ins. by s. 16, *ibid.* (w.e.f. 1-5-1973).

<sup>1</sup>[**19A. Validation of certain collections.**—(1) Notwithstanding anything contained in section 2, as amended by section 10 of the Coal Mines Nationalisation Laws (Amendment) Act, 1978 (22 of 1978), any money collected by the Central Government or the Government company during the period commencing on the appointed day and ending with the date specified under sub-section (3) of section 19 shall be deemed to have been validly collected by the Central Government or the Government company, as the case may be, and any such money shall be applied in accordance with the provisions of section 19.

(2) Any money collected as aforesaid shall not be called in question in any court of law.]

**20. Claims to be made to the Commissioner.**—<sup>2</sup>[(1)] Every person having a claim against the owner of a coal mine shall prefer such claim before the Commissioner within thirty days from the specified date:

Provided that if the Commissioner is satisfied that the claimant was prevented by sufficient cause from preferring the claim within the said period of thirty days, he may entertain the claim within a further period of thirty days but not thereafter.

<sup>3</sup>[(2) Without prejudice to the provisions of sub-section (1), claims in relation to a provident fund, pension fund, gratuity fund or any other fund established for the welfare of the persons employed by the owner of a coal mine or group of coal mines may be filed on behalf of the persons so employed by the Coal Mines Provident Fund Commissioner appointed by the Central Government under section 3C of the Coal Mines Provident Fund, Family Pension and Bonus Schemes Act, 1948 (46 of 1948); <sup>4</sup>[and claims in relation to any other matter may be filed on behalf of all or any of the persons so employed or any group of such persons, by any Trade Union, registered under the Trade Unions Act, 1926 (16 of 1926), or, where no such claim has been filed by any Trade Union, by the Chief Labour Commissioner (Central) appointed by the Central Government or any officer subordinate to him;] and the claims so made shall be deemed to have been made by the persons having a claim against the owner of a coal mine or group of coal mines:

Provided that no such claim shall be made by the Coal Mines Provident Fund Commissioner <sup>4</sup>[or the Trade Union or the Chief Labour Commissioner (Central) or any officer subordinate to him,] in relation to a person who has already made a claim under sub-section (1).]

<sup>5</sup>[(3) Where any claim, not being a claim which was time-barred on the 31st day of January, 1973, was preferred under sub-section (1) within the period specified therefor and was rejected merely on the ground that such claim was time-barred, such claim shall be deemed not to have been rejected and the Commissioner shall restore on his file such claim and shall deal with it in the manner specified in section 23.]

**21. Priority of claims in relation to arrears of provident fund, etc.**—(1) Every person employed by the owner of a coal mine or group of coal mines may make a claim to the Commissioner to the effect that the sums deducted under sub-section (4) of section 7 of the Coal Mines (Taking Over of Management) Act, 1973 (15 of 1973), are not sufficient to meet fully the amount of arrears due to him, on the appointed day within the meaning of that Act, from the owner of such coal mine or group of coal mines,—

(a) in relation to a provident fund, pension fund, gratuity fund or any other fund established for the welfare of the persons employed by the owner of a coal mine or group of coal mines, or

(b) as wages,

and that a sum equal to the deficiency may be recovered from the amount specified in the Schedule against the owner of such coal mine or group of coal mines.

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1. Ins. by Act 22 of 1978, s. 12 (w.e.f. 27-5-1978).

2. Section 20 re-numbered as sub-section (1) thereof by Act 41 of 1973, s. 6 (w.e.f. 1-5-1973).

3. Ins. by s. 6, *ibid.* (w.e.f. 1-5-1973).

4. Ins. by Act 22 of 1978, s. 13 (w.e.f. 1-5-1973).

5. Ins. by s. 13, *ibid.* (w.e.f. 1-11-1975).

(2) Where a claim is made under sub-section (1), the Commissioner shall determine the extent of the deficiency and shall, after such determination, deduct in the first instance, out of the amount paid to him under section 8, a sum equal to the extent of the deficiency determined by him under this sub-section.

(3) All sums deducted by the Commissioner under sub-section (2) shall, in accordance with such rules as may be made under this Act, be credited by the Commissioner to the relevant fund or be paid to the persons to whom such sums are due, and on such credit or payment, the liability of the owner in respect of all the amounts of arrears due as aforesaid shall stand discharged.

(4) The deductions made by the Commissioner under sub-section (2) shall have priority over all other debts, whether secured or unsecured.

**22. Priority in relation to other claims.**—(1) Save as otherwise provided in section 21, every secured debt due from the owner of a coal mine or group of coal mines shall have priority over all other debts and shall be paid in accordance with the rights and interests of the secured creditors.

(2) Notwithstanding anything contained in any other law for the time being in force, there shall be paid in priority to all other unsecured debts, not being the amounts advanced by the Central Government or the Custodian appointed under the Coal Mines (Taking Over of Management) Act, 1973 (15 of 1973), for the management of the coal mine,—

(a) all sums due to the State Government including royalty and dead rent;

(b) all amounts due in respect of any compensation or liability for compensation under the Workmen's Compensation Act, 1923 (8 of 1923), in respect of the death or disablement of any employee of the coal mine unless such mine has, under such contract with insurers as mentioned in <sup>1</sup>[section 14] of the said Act, rights capable of being transferred to and vested in, the workmen; and

(c) all sums deducted by the employer from the salary or wages of any workman or other employee for credit to any provident fund, or any other fund established for the welfare of the employees of the coal mine but not deposited to the credit of the said fund.

(3) The debts specified in sub-section (2) shall rank equally among themselves and be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportions and be paid accordingly.

**23. Admission or rejection of claims.**—(1) The Commissioner shall fix a certain date on or before which every claimant shall file the proof of his claim or be excluded from the benefit of the disbursement made by the Commissioner.

(2) Not less than fourteen days' notice of the date so fixed shall be given by advertisement in one issue of the daily newspaper in the English language and one issue of the daily newspaper in the regional language as the Commissioner may consider suitable, and every such notice shall call upon the claimant to file the proof of his claim with the Commissioner within the time specified in the advertisement.

(3) Every claimant who fails to file the proof of his claim within the time specified by the Commissioner shall be excluded from the disbursements made by the Commissioner.

(4) The Commissioner shall, after such investigation as may, in his opinion, be necessary and after giving the owner of the coal mine an opportunity of refuting the claim and after giving the claimant a reasonable opportunity of being heard, in writing, admit or reject the claim in whole or in part.

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1. Subs. by Act 38 of 1978, s. 3 and the Second Schedule, for "section 15" (w.e.f. 26-11-1978).

(5) The Commissioner shall have the power to regulate his own procedure in all matters arising out of the discharge of his functions including the place or places at which he will hold his sittings and shall, for the purpose of making any investigation under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908), while trying a suit, in respect of the following matters, namely:—

- (a) the summoning and enforcing the attendance of any witness and examining him on oath;
- (b) the discovery and production of any document or other material object producible as evidence;
- (c) the reception of evidence on affidavits;
- (d) the issuing of any commission for the examination of witness.

(6) Any investigation before the Commissioner shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code (45 of 1860) and the Commissioner shall be deemed to be a civil court for the purposes of section 195 and Chapter XXXV of the Code of Criminal Procedure, 1898 (5 of 1898).

<sup>1</sup>[(6A) The Commissioner may, on receipt of a claim,—

- (a) elect to settle the claim himself; or
- (b) transfer the claim for settlement to a person authorised in this behalf under sub-section (2) of section 17; or
- (c) withdraw the claim from the person referred to in clause (b) and either settle the claim himself or transfer it for disposal to any other person who has been authorised in this behalf under sub-section (2) of section 17.]

(7) <sup>2</sup>[A claimant or owner who is dissatisfied with the decision of the Commissioner may prefer an appeal, within a period of sixty days from the date of the decision,] to the principal civil court of original jurisdiction within the local limits of whose jurisdiction the coal mine is situated:

Provided that where a person who is a Judge of a High Court is appointed to be the Commissioner, such appeal shall lie to the High Court for the State in which the coal mine is situated, and such appeal shall be heard and disposed of by not less than two Judges of that High Court:

<sup>1</sup>[Provided further that any appeal which has not been preferred before the date on which the Coal Mines Nationalisation Laws (Amendment) Act, 1978 (22 of 1978), receives the assent of the President, shall be preferred within a period of sixty days from such date.]

<sup>3</sup>[**23A. Application of sections 5 and 12 of the Limitation Act.**—The provisions of sections 5 and 12 of the Limitation Act, 1963 (36 of 1963), shall, so far as may be, apply to appeals under section 23.]

**24. Disbursement of money by the Commissioner to claimants.**—Where, after meeting the claims admitted by him, of secured creditors, and unsecured creditors having priority under sub-section (2) of section 22, the total amount of claims of other unsecured creditors admitted by the Commissioner, does not exceed the total amount of the money credited to the account of a coal mine, every such admitted claim shall be paid in full and the balance, if any, shall be paid to the owner, but where such amount is insufficient to meet in full the total amount of the admitted claims, all such claims shall abate in equal proportions and be paid accordingly.

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1. Ins. by Act 22 of 1978, s. 14 (w.e.f. 27-5-1978).

2. Subs. by s. 14, *ibid.*, for certain words (w.e.f. 27-5-1978).

3. Ins. by s. 15, *ibid.* (w.e.f. 27-5-1978).

<sup>1</sup>[**24A. Interest on admitted claims.**—Notwithstanding any award, decree or order of any court, tribunal or other authority, passed before the appointed day, in relation to any coal mine, where any amount is payable in respect of a claim admitted under this Act, the interest payable on such amount for any period after the appointed day shall be at such rate not exceeding the rate of interest accruing on any amount deposited by the Commissioner under section 18.]

<sup>2</sup>[**25. Recovery of excess payments made by Central Government or Custodian.**—Any amount in excess of payments over receipts in the statement of accounts prepared under section 19 shall be deemed to be an amount advanced by the Central Government or the Custodian, as the case may be, for the management of a coal mine during the period in which the management of such coal mine remained vested in the Central Government and the Central Government may make a claim to the Commissioner for such excess payment and such claim shall have priority over the claims of all other unsecured creditors of the coal mine, including those referred to in sub-section (2) of section 22.

*Explanation.*—In this section. “Custodian” means the Custodian appointed under the Coal Mines (Taking Over of Management) Act, 1973 (15 of 1973).]

<sup>3</sup>[**25A. Notice to owners of coal mines and managing contractors, etc.**—(1) After meeting the liabilities of persons whose claims have been admitted under this Act, the Commissioner shall notify, in such manner as he may think fit, the amount of money available with him and specify in such notification a date within which the owners of the coal mines, the managing contractors and the owners of any machinery, equipment or other property which has vested in the Central Government or a Government company under this Act and which does not belong to the owners of the coal mines may apply to him for payment.

(2) Where any application is made under sub-section (1), the Commissioner shall, after satisfying himself as to the right of the applicant to receive the whole or any part of the amount, pay the amount to the person concerned and in the event of there being a doubt or dispute as to the right of the person to receive the whole or any part of the amount, the Commissioner shall deal with the application in the manner specified in sub-section (2) of section 26.]

**26. Disbursement of amounts to the owners of coal mines.**—(1) If out of the monies paid to him in relation to a coal mine or group of coal mines specified in the second column of the Schedule, there is a balance left after meeting the liabilities of all the secured and unsecured creditors, the Commissioner shall disburse such balance to the owner of such coal mine or group of coal mines.

(2) Before making any payment to the owner of any coal mine or group of coal mines under sub-section (1), the Commissioner shall satisfy himself as to the right of such person to receive the whole or any part of such amount, and in the event of there being a doubt or dispute as to the right of the person to receive the whole or any part of the amount, referred to in sections 8 and 9, the Commissioner shall refer the matter to the court and make the disbursement in accordance with the decision of the court.

(3) For the removal of doubts, it is hereby declared that the entries in the fourth column of the Schedule shall not be deemed to be conclusive as to the right, title and interest of any person in relation to any coal mine specified in the corresponding entries in the second column of the Schedule and evidence shall be admissible to establish the right, title and interest of any person in relation to such coal mine.

(4) In relation to a coal mine the operations of which were, immediately before the taking over of the management of such coal mine under the Coal Mines (Taking Over of Management) Act, 1973 (15 of 1973), under the control of a managing contractor, the amount specified in the fifth column of the Schedule against such coal mine shall be apportioned between the owner of the coal mine and such managing contractor in such proportions as may be agreed upon by or between the owner and such

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1. Ins. by Act 22 of 1978, s. 16 (w.e.f. 1-5-1973).

2. Subs. by Act 57 of 1986, s. 17, for section 25 (w.e.f. 1-5-1973).

3. Ins. by Act 22 of 1978, s. 17 (w.e.f. 27-5-1978).



managing contractor, and in the event of therebeing no such agreement, in such proportions as may be determined by the court on a reference made to it by the Commissioner.

(5) Where any machinery, equipment or other property in a coal mine has vested in the Central Government or a Government company under this Act, but such machinery, equipment or other property does not belong to the owner of such coal mine, the amount specified in the fifth column of the Schedule against such coal mine shall, on a reference made to it by the Commissioner, be apportioned by the court between the owner of such coal mine and the owner of such machinery, equipment or other property having due regard to the value of such machinery, equipment or other property on the appointed day.

<sup>1</sup>[(6) Where the amount specified in the fifth column of the Schedule is relatable to a group of coal mines, the Commissioner shall have power to apportion such amount among the owners of such group, and in making such apportionment, the Commissioner shall have regard to the highest annual production in the coal mine during the three years immediately preceding the appointed day.]

*Explanation.*—In this section, “court”, in relation to a coal mine, means the principal civil court of original jurisdiction within the local limits of whose jurisdiction the coal mine is situated.

**27. Undisbursed or unclaimed amounts to be deposited to the general revenue account.**—Any money paid to the Commissioner which remains undisbursed or unclaimed for a period of <sup>2</sup>[three years from the day on which the last order for disbursement was made], shall be transferred by the Commissioner to the general revenue account of the Central Government; but a claim to any money so transferred may be preferred to the Central Government by the person entitled to such payment and shall be dealt with as if such transfer had not been made, the order, if any, for payment of the claim being treated as an order for the refund of revenue.

## CHAPTER VII

### MISCELLANEOUS

**28. Effect of this Act on other laws.**—The provisions of this Act shall have effect notwithstanding anything in consistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than this Act, or in any decree or order of any court, tribunal or other authority.

**29. Contracts to cease to have effect unless ratified by Government.**—(1) Every contract entered into by the owner or occupier of any coal mine for any service, sale or supply and in force immediately before the appointed day shall, on and from the expiry of one hundred and twenty days from the appointed day, cease to have effect unless such contract is, before the expiry of that period, ratified, in writing, by the Central Government and in ratifying such contract the Central Government may make such alterations or modifications therein as it may think fit:

Provided that the Central Government shall not omit to ratify a contract unless it is satisfied that such contract is unduly onerous or has been entered into in bad faith or is detrimental to the interests of the coal mine.

(2) The Central Government shall not omit to ratify a contract or make any alteration or modification therein except after giving to the parties to the contract a reasonable opportunity of being heard and except after recording in writing its reasons for refusal to ratify the contract.

**30. Penalties.**—<sup>3</sup>[(1)] Any person who,—

(a) having in his possession, custody or control any property forming part of the undertaking of any coal mine referred to in the Schedule wrongfully withholds such property from the Central Government or the Government company, or

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1. Ins. by Act 57 of 1986, s. 18 (w.e.f. 1-5-1973).

2. Subs. by Act 22 of 1978, s.18, for “three years from the last day on which the disbursement was made” (w.e.f. 27-5-1978).

3. Section 30 re-numbered as sub-section (1) thereof by Act 67 of 1976, s. 4 (w.e.f. 27-5-1976).

(b) wrongfully obtains possession of, or retains, any property forming part of the undertaking of any coal mine specified in the Schedule or wilfully withholds or fails to furnish to the Central Government or any person specified by that Government, any document relating to such coal mine which may be in his possession, custody or control or fails to deliver to the Custodian any assets, books of account, registers or other documents in his custody relating to the coal mine in respect of which a Custodian has been appointed, or

(c) wrongfully removes or destroys any property of any coal mine or prefers any claim under this Act which he knows or has reasonable cause to believe to be false or grossly inaccurate,

shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to ten thousand rupees, or with both.

<sup>1</sup>[(2) Any person who engages, or causes any other person to be engaged, in winning or mining coal from the whole or part of any land in respect of which no valid prospecting licence or mining lease or sub-lease is in force, shall be punishable <sup>2</sup>[with imprisonment for a term which may extend to three years and also with fine which may extend to twenty thousand rupees.]]

**31. Offences by companies.**—(1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

*Explanation.*—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

**32. Mining companies not to be wound up by the court.**—No proceeding for the winding up of a mining company, the right, title and interest in relation to the coal mine owned by which have vested in the Central Government or a Government company under this Act or for the appointment of a receiver in respect of the business of the company, shall lie in any court except with the consent of the Central Government.

**33. Delegation of powers.**—(1) The Central Government may, by notification, direct that all or any of the powers exercisable by it under this Act may also be exercised by any person or persons as may be specified in the notification.

(2) Whenever any delegation of power is made under sub-section (1), the person to whom such power has been delegated shall act under the direction, control and supervision of the Central Government.

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1. Ins. by Act 67 of 1976, s. 4 (w.e.f. 27-5-1976).

2. Subs. by Act 22 of 1978, s. 19, for certain words (w.e.f. 27-5-1978).

**34. Power to make rules.**—(1) The Central Government may, by notification, make rules to carry out the provisions of this Act.

(2) 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) the manner in which the coal mine shall be managed by a Government company or a Custodian;

<sup>1</sup>[(aa) the coal mines or coal bearing areas and their location, the minimum size of the coal mine or coal bearing areas, and such other conditions which may be necessary for the purpose of coal mining operations including mining for sale by a company under sub-section (2) of section 3A.]

(b) the manner in which monies in any provident or other fund referred to in section 15 shall be dealt with;

(c) the form and manner in which the statement of accounts referred to in section 19 shall be prepared;

(d) any other matter which is required to be, or may be, prescribed.

(3) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**35. Power to remove difficulties.**—If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, not inconsistent with the provisions of this Act, remove the difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the appointed day.

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1. Ins. by Act 11 of 2015, s. 28 and Schedule IV (w.e.f. 21-10-2014).