

# Coal Bearing Areas (Acquisition & Development) Act, 1957

April 15, 2022

**In news-** Recently, the Union Cabinet has approved the policy for use of land acquired under the Coal Bearing Areas (Acquisition & Development) Act, 1957 [CBA Act].

## **About the policy-**

- The CBA Act provides for acquisition of coal bearing lands and their vesting in Government companies, free from any encumbrance.
- The approved policy provides clear policy framework for utilisation of following types of lands acquired under the CBA Act **for the purpose of development and setting up of infrastructure** relating to coal and energy:
  - Lands no longer suitable or economically viable for coal mining activities; or
  - Lands from which coal has been mined out / de-coaled and such land has been reclaimed.
- The Government coal companies, such as Coal India Ltd. (CIL) and its subsidiaries shall remain owners of these lands acquired under the CBA Act and the policy allows only leasing of the land for the specified purposes given in the policy.
- Government coal companies can deploy private capital in joint projects for coal and energy related infrastructure development activities.
- The Government company which owns the land would lease such land for a specific period given under the policy and the entities for leasing shall be selected through a transparent, fair and competitive bid process and

mechanism in order to achieve optimal value.

- The lands will be considered for the following activities:
  - To set up Coal Washeries.
  - To set up Conveyor Systems.
  - To establish Coal Handling Plants.
  - To construct Railway Sidings.
  - Rehabilitation and Resettlement of Project Affected Families due to acquisition of land under the CBA Act or other land acquisition law.
  - To set up thermal and renewable power projects.
  - To set up or provide for coal development related infrastructure including compensatory afforestation.
  - To provide Right of Way.
  - Coal gasification and coal to chemical plants; and
  - To set up or provide for energy related infrastructure.
- This unlocking of non-minable land for other purposes will also help CIL in reducing its cost of operations as it will be able to set up coal related infrastructure and other projects such as solar plants on its own land by adopting different business models in partnership with the private sector.
- It will make coal gasification projects viable as coal need not be transported to distant places.
- It would ensure proper utilization of land and would eliminate wastage of all-important land resources, avoid acquisition of fresh chunks of land for rehabilitation of Project Affected Families, eliminate loading of additional financial burden on the projects and increase profit.
- It will also address the demand of the displaced families as they always prefer to stay as close as possible to their original residential places.

## **The Coal Bearing Areas (Acquisition and Development) Act, 1957 (20 of 1957) -**

- It **provides for the acquisition of land containing or likely to contain coal deposits** and for matters connected therewith.
- Under the provisions of this Act, the **land is acquired for Government Companies only for coal mining and activities** strictly incidental to mining purposes.
- For other requirements, like permanent infrastructure, offices, residence etc. the land is acquired under Land Acquisition Act, 1894.
- Mining rights and surface rights of a single patch of land may not be acquired under different Acts.
- Under the provision of the said Act, initially the Government declares its intention to do exploration/ prospecting through a notification under Section 4(1).
- The validity period of notification under Section 4(1) is for two years, which can be extended by one more year through a separate notification.
- Subsequently on completion of prospecting, by notification under Section 7(1) of the CBA Act, the Government declares its intention to acquire the land. **The validity of notification under 7(1) is three years.**
- After the notification is issued under Section 7(1), Ministry invites objections, if any, from private land owners/ State Governments.
- On the disposal of objections, if any, filed by interested persons (land owners), by the Coal Controller's Office, the Government issues notification under Section 9(1) of the CBA Act for acquiring the land.
- Rights and titles of the land are transferred to Coal PSUs / Govt. Company by notification under Section 11(1) of the CBA (A&D) Act, 1957.
- All notifications are issued to Govt. Press, for publication in the official Gazette of the Government of

India, only after vetting by the Legislative Department,  
Ministry of Law.