

Bill Summary

Coal Regulatory Authority of India Bill, 2013

- The Minister for Coal, Mr. Sriprakash Jaiswal, introduced the Coal Regulatory Authority of India Bill, 2013 in the Lok Sabha on December 13, 2013.
- **Functions of the Authority:** The Bill seeks to establish a Coal Regulatory Authority of India (CRAI) to: (i) ensure conservation of coal resources and compliance with the mining plan and mine closure plan, (ii) specify methods for testing the quality of coal and procedure for coal sampling, (iii) collect information and publish statistics relating to the coal sector, (iv) specify principles and methodologies for determination of the price of coal and by-products for all producers, (v) specify the standards of performance and norms of operational efficiency (except for mine safety), and (vi) adjudicate disputes between entities and between entities and other persons.
- CRAI shall advise the central government on: (i) formulation of policies in the coal sector, including allotment or earmarking of coal blocks, (ii) promotion of competition, efficiency and economy in activities of the coal industry, (iii) promotion of investment in the coal industry, and (iv) development of various mining technologies, beneficiation methods to improve mining and conservation of coal resources. CRAI may recommend for consideration of the central government suspension or cancellation of permission granted by the central government for opening a coal mine or seam.
- CRAI shall maintain data relating to the activities of entities and have the power to verify the data supplied by the entities. CRAI shall maintain confidentiality of the information and will not disclose it except on the grounds of public interest.
- **Composition of the Authority:** CRAI shall consist of a chairperson and four members with expertise in legal, financial, technical and consumer interest. The Bill specifies the minimum qualifications of the chairperson and members. Their appointment will be done by a Selection Committee headed by the Cabinet Secretary. They shall hold office for a period of five years, or till they attain the age of 65 years, whichever is earlier.
- **Dispute resolution:** CRAI shall adjudicate disputes relating to grading, quality, testing, pricing, supply and sampling of coal between entities or between an entity and any other person. This excludes cases where arbitration is provided for in agreements between entities.
- CRAI can, of its own motion, if it is in public interest, examine any matter relating to the pricing and supply of coal which, in the opinion of CRAI, is in contravention of the principles and methodologies specified.
- The Appellate Tribunal for Electricity, established under the Electricity Act, 2003, will hear appeals against decisions of CRAI. The Technical Member of the Tribunal for the purposes of this Act will be a Technical Member (Coal) having qualifications specified under this Act. The Tribunal shall dispose of the appeal within 180 days of its receipt.
- A person aggrieved by the decision of the Tribunal may appeal to the Supreme Court.
- **Powers of the central government:** The central government may issue directives to CRAI in the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order or for promoting energy efficiency. In addition, the central government may issue policy directives to CRAI, in public interest, for maintaining or increasing supplies of coal or for securing its equitable distribution and ensuring its adequate availability. These policy directives will be binding upon CRAI.
- **Offences and punishment:** Failure to comply with the regulations made under the Act, or an order of CRAI shall be punishable with a fine of up to Rs 25 crore, and in case of a continuing contravention, Rs 10 lakh per day for the period that the contravention continues. Failure to comply with the order of the Tribunal shall be punishable with a fine of Rs 25 crore (first offence) and Rs 30 crore (subsequent offence). In case of a continuing contravention a fine of Rs 20 lakh per day will be charged for the period that the contravention continues.

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