

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:1458
ANSWERED ON:31.07.2001
REPORT ON COAL SECTOR
ANNA SAHEB M.K. PATIL

Will the Minister of COAL be pleased to state:

- (a) whether the Government have examined the report on coal sector reforming;
- (b) if so, the main recommendations thereof; and
- (c) the reaction of the Government thereto?

Answer

MINISTER OF STATE FOR COAL (SHRI SYED SHAHNAWAZ HUSSAIN)

(a) to (c): The Government of India in the Ministry of Coal had appointed Tata Energy Research Institute (TERI), India and M/s International Mining Consultants Limited (IMCL), UK jointly as consultants for review of regulatory framework of Coal Industry in India. The consultants have submitted their report to this Ministry. The report encompassed recommendations for wide-ranging reforms in the regulatory framework, which govern matters such as grant of mining rights/surface rights, prospecting/mining operations, health and safety, financial and fiscal matters, environmental issues, resettlement and rehabilitation, marketing etc. The main recommendations, inter alia, include (i) enactment of law to facilitate the entry of private sector, acquisition of land and grant of prospecting and mining licence, offer of large coal blocks to private sector to allow economies of scale in their operations etc.; (ii) amendment of Coal Bearing Areas (Acquisition) Act, providing, inter alia, for acquisitions of land rights for the private sector companies for a limited period until a significant private sector participation emerges; (iii) enunciation of long term Energy Policy which will address all forms of energy and related technology; (iv) removal of current restrictions with regard to eligibility for mining rights to permit direct foreign investment; (v) abolition of restrictions- both statutory or contractual- on the use of contract labour in coal sector;

(vi) encouraging the state to play a greater role in the environment clearance process; (vii) pursuit of consultation on a National Policy for Resettlement & Rehabilitation as a basis for securing a 'floor' for treatment of Project Affected People; (viii) withdrawal of Colliery Control Order, 2000; (ix) setting up of an independent regulatory body to assist the Government during the transition to a fully liberalised coal sector; and (x) creation of a new unit to strengthen technical capabilities for administering the coal sector with professional staff inducted from CMPDIL.

The recommendations contained in the report are under consideration of the Government.