

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

STARRED QUESTION NO:79

ANSWERED ON:08.07.2009

REGULATORY BODY FOR COAL SECTOR

Majhi Shri Pradeep Kumar;Patel Shri Kishanbhai Vestabhai

**Will the Minister of COAL be pleased to state:**

- (a) whether the Government proposes to set up a regulatory body in coal sector;
- (b) if so, the time by which the proposed regulator will be set up and the benefits that are likely to accrue as a result thereof;
- (c) whether the private sector is presently allowed captive mining;
- (d) if so, the details thereof;
- (e) whether the guidelines/modalities for the involvement of private sector have been finalized;
- (f) if so, the details thereof; and
- (g) the estimated funds which are likely to be invested in coal sector in order to attain the production target during the next ten years?

**Answer**

MINISTER OF STATE (IC) IN THE MINISTRY OF COAL AND MINISTER OF STATE (IC) IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION(SHRI SRIPRAKASH JAISWAL)

(a) to (g): A statement is laid on the Table of the House.

STATEMENT AS MENTIONED IN STARRED QUESTION NO.79 FOR ANSWER ON 08.07.2009 ASKED BY S/SHRI PRADEEP MAJHI AND KISHNBHAI V. PATEL.

(a) & (b): A proposal for setting up of an independent regulatory body for coal sector is under consideration of the Govt. Since setting up of regulator involves enactment of legislation by the Parliament, it may not be possible to indicate the exact time frame for the same. Appointment of an independent regulator for coal sector would result in more optimal development and conservation of coal resources, more effective regulation, adoption of best mining practices, rational pricing, better distribution, evolution of a more competitive market etc. It would also help in creating a level playing field for new entrants in the coal sector.

(c) & (d): In terms of the provisions in Section 3(3)(a)(iii) of the Coal Mines (Nationalization) Act, 1973, coal blocks can be allotted to private companies for captive use only, in specified end uses such as generation of power, production of iron and steel, cement, syngas through coal gasification (underground and surface) and coal liquefaction.

(e) & (f): The allocation of coal/lignite blocks to private parties is done through the mechanism of an inter-Ministerial inter-Governmental body called the Screening Committee. The Screening Committee is chaired by the Secretary (Coal) and has representatives from Ministry of Steel, Ministry of Power, Ministry of Industry and Commerce, Ministry of Environment and Forest, Ministry of Railways, Coal India Limited (CIL) and its subsidiaries, Central Mine Planning & Design Institute Limited (CMPDIL), Neyveli Lignite Corporation Ltd. (NLC) and the State Governments concerned. Allocations are decided by the Govt. on the recommendation of the Screening Committee taking into account, inter-alia, techno-economic viability of end-use project, state of project preparedness, compatibility in terms of quality and quantity of coal/lignite in a block with the requirement of end user, track record of applicant company, recommendations of the State Government and Administrative Ministry concerned etc.

(g): As per the Working Group on Coal & Lignite set up by the Planning Commission, the total plan outlay proposed for Ministry of Coal for the XI Five Year Plan is Rs. 41,961 crore. The proposed public sector investment for the XI Plan for supporting their production plans is Rs.34,259 crore. The proposed outlay for the departmental schemes to be supported through budgetary support is Rs. 7,702 crore. However, the approved outlay for the 11th Plan is Rs.37,095 crore i.e. Rs.35,774 crore for PSUs and Rs.1,326 crore for departmental schemes.