

### Opening of new coal mines and setting up of power units by private sector

\*9. SHRI INDRAJIT GUPTA:  
SHRI BASUDEB ACHARYA:

Will the Minister of ENERGY be pleased to state:

(a) whether it is a fact that the private sector in this field is not submit concrete proposals to open new coal mines and to set up power generating units;

(b) if so, the details thereof; and

(c) whether the invitation to the private sector in this field is not against the accepted policy of the Government?

THE MINISTER OF STATE IN THE MINISTRY OF ENERGY (SHRI VIKRAM MAHAJAN): (a) and (b). Government have not asked private sector firms to submit concrete proposals to open new coal mines. As far as the power sector is concerned, keeping in view the need for attracting larger capital investment for power development and the views expressed in various public forum and debates, the private sector had been called upon to make specific offers with firm financial contribution in general statements made by the Minister for Energy. However, no concrete proposal has been received by the Government, so far.

(c) At present, the role of private sector as utility in the field of power generation is governed by the Industrial Policy Resolution of 1956. The Resolution does not preclude the expansion of the existing privately owned units or the possibility of the State securing cooperation of private enterprises in the establishment of new units when the National interest so requires. Proposals of private utilities for setting up power generation plants are considered on their merits keeping in view the spirit of the Industrial Policy Resolution.

On the coal side, the Coal Mines (Nationalisation) Act 1973 rules out the question of private sector firms operating coal mines.

SHRI INDRAJIT GUPTA: Sir, I am glad to hear that in the field of coal mining, at least the Government are here committing that there will be no deviation from the Industrial Policy Resolution of 1956. As far as power is concerned, the proviso which he is referring to in the Industrial Policy Resolution, refers to circumstances in which the national interest may require some modification. So if any concrete proposals come up, they will have to be justified before the House on the grounds of national interest. Nor am I referring to the question of expansion of the existing private sector? The question is: if you are contemplating as the hon. Energy Minister has stated previously in this House and also in the public statements outside, whether they would like the private sector to invest in power industry, make new investments, I would like to know whether this is not a thin end of the wedge and whether they are not wanting to admit before the country that the Government or the public sector is failing in the administration and management of power units. As the private sector had always said that the Government was incapable of running the power industry and therefore they should be brought in, are they in fact surrendering before this argument and making the admission of failure?

THE MINISTER OF ENERGY (SHRI A.B.A. GHANI KHAN CHAUDHURY): Certainly not. Power is a capital intensive industry. So, what we are thinking is to attract the capitalists to invest more and more money on this. Capital seems to be one of the main constraints in power expansion. If we have taken the demand of the country as a whole, I think more and more. Investment is necessary. But we have already said and what we have been saying is that this is just a point for drawing the investment from the private sector. Nothing more. I do not

admit that the public sector is incapable of running any show.

**SHRI INDRAJIT GUPTA:** I fully agree with the hon. Minister that the public sector should be capable of running the power industry competently. But there is a big 'if'. If certain steps are taken, I am sure they can do it. But those steps are not taken. My question is am I to understand now from what he has said that they are contemplating the situation in which the private sector capital investment will be forthcoming without any share in the management or the administration of the power units that they will simply give the capital and you will run the show? Do you think that they are going to invest their capital like that?

**SHRI A.B.A. GHANI KHAN CHAUDHURY:** In my reply, I have said that no concrete proposal has come. Unless concrete proposal comes we cannot say anything in the air.

**SHRI BASUDEV ACHARIA:** According to the newspaper reports, it was stated by Shri Ghani Khan Choudhuri in a meeting of the Bengal Chambers of Commerce that there was no difficulty in allowing private sector to operate coal mines. Has that not been refuted by the hon. Minister now? There are a number of mines being operated privately in West Bengal. I have asked several questions, but I was never given a reply about the numbers of such mines. What steps have the Government taken to stop the operation of private mines?

**SHRI A. B. A. GHANI KHAN CHAUDHURI:** In so far as the coal sector is concerned, there is absolutely no question of giving any mining to any private sector because the coal nationalisation Act does not permit that. We have, however, got two offers. One, Messrs. Karam Chand Thapar and Sons, a private company have submitted a proposal for the development of coal mines in India in collaboration with some Australian companies. *Prima facie*, the offer does not come

within the ambit of the existing law and is not going to be accepted.

Secondly, there is an offer by the Japanese Company namely Mitsui who have proposed through the Government of Uttar Pradesh to supply equipment for two sets of 500 MW each for Anpara Expansion Scheme and also to develop coal mines for the supply of coal required for its expanded capacity. This proposal of the Uttar Pradesh Government has not yet been cleared by the Central Electricity Authority from the technical angles. However, even if and when this proposal is agreed to, this cannot be considered to be giving of coal mines to private sector. At least, this can be an arrangement for collaboration for getting expertise for development of a mine—only payment for development to be made in kind rather than in cash. That is all. It is not the change in ownership.

**SHRI KRISHNA CHANDRA HALDER:** In view of the reply given by the hon. Minister, I would like to know whether the operations at Kalidaspur colliery within the Mejhia area have been started by the public sector. There are other coalfields also in this area which can be started. Will it be done by the Government itself or whether foreign help will be taken? I would also like to know whether the Government will have a pithead power generation unit in the Mejhia coalfields and whether the Railway Ministry would also be approached to construct Raniganj, Mejhia, Bankura railway link for the overall betterment of the Mejhia area.

**SHRI A. B. A. GHANI KHAN CHAUDHARI:** I am told that this coalfield area has got superior coal and, I am afraid, that cannot be consumed by power stations. As regards the second part of the question, this will be done by Coal India and foreign expertise can be borrowed for that, if required.