

(c) whether it is also a fact that CIL has signed a pact with Government of Limpopo, South Africa, for jointly identifying, exploring and developing coal mines;

(d) if so, the details thereof;

(e) whether CIL has appointed consultants in this regard; and

(f) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI PIYUSH GOYAL): (a) and (b) Coal India Limited (CIL) has identified South Africa as one of the possible countries for acquiring thermal coal assets for supply to India. In this direction, CIL is considering a proposal to register a wholly owned subsidiary in South Africa for acquisition and development of coal assets in that country.

(c) and (d) CIL has signed an MOU in September 2011 with the organization owned by Provincial Government of Limpopo for identification, development and operations of coal mines in the Province of Limpopo. Discussions are in progress for implementation of various activities envisaged in the MOU.

(e) and (f) CIL has appointed M/s Deloitte as the consultant for advising on the regulatory framework in South Africa and processes of registering a wholly owned subsidiary, if required.

Opening of coal sector to private companies

2354. SHRIMATI SASIKALA PUSHPA: Will the Minister of COAL be pleased to state:

(a) whether coal sector is now open to private companies;

(b) if so, the details thereof and the reasons therefor;

(c) the investment made/likely to be made for creation of new capacity in this sector; and

(d) the details of coal produced by the private sector during the last two years?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI PIYUSH GOYAL): (a) and (b) The Coal sector has been open to private companies for several years now. For specified end users the coal mining was already permitted.

(c) The investment likely to be made for creation of new capacity can only be assessed once the coal blocks are allocated by way of auction to private companies and by way of allotment to State and investments are planned by the successful allottees.

(d) The coal produced by private sector companies during the last two years *i.e.* 2012-13 and 2013-14 was 21.792 and 24.981 million tonnes respectively. Coal produced by private sector companies during the current year 2014-15 (Upto October, 2014) is 19.514 million tonnes.

Change in rules for coal royalty

†2355. SHRI PRABHAT JHA: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that as per extant rules, the amount given to the States in the form of coal royalty has flaws and the proposal to change the rules keeps on coming in from State Governments;

(b) if so, the details thereof;

(c) whether Government is considering to change the rules regarding coal royalty; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI PIYUSH GOYAL): (a) to (d) Section 9(3) of the Mines and Minerals (Development and Regulation) Act, 1957 empowers the Central Government to enhance or reduce the royalty rates in respect of any mineral by notification in the Official Gazette with effect from such date as may be notified. The proviso to Section 9(3) of the Act prevents the Central Government from enhancing the rate of royalty in respect of any mineral more than once during any period of three years.

The royalty rates on coal and lignite were last revised on 10.05.2012 based on the recommendation of a Study Group. The Study Group before making recommendations to the Government held consultations with various stakeholders including the concerned State Governments. Keeping in view the demands of the coal bearing States for shifting to *ad-valorem* based system of royalty rates and the interest of coal consuming States and the Power Sector, the Government had adopted *ad-valorem* based system of royalty rates, in place of the earlier hybrid formula based royalty rates, *w.e.f* 10.05.2012.

As per the provision of the MMDR, Act, 1957, the next revision on the rates of royalty on coal and lignite if needed, can only take place after 3 years from the last revision. The Government has constituted a Study Group on 21.07.2014. The first meeting of the Study Group was held on 09.10.2014.

†Original notice of the question was received in Hindi.