

**Implementation of Jharkhand High Court directives**

1804. SHRI ABANI ROY: Will the Minister of COAL be pleased to state:

(a) whether the Hon'ble High Court, Jharkhand *vide* its order dated 16th January, 2003 has issued certain directions to CIL/CCL in I.A. No. 2020/2002 in CWJC No. 2750(97)-R;

(b) if so, whether the said directions could not be implemented as yet;

(c) whether Government is maintaining any mechanism to oversee the functioning of the CIL and its subsidiaries; and

(d) if so, why the High Court directions could not be implemented well in time?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRAHLAD SINGH PATEL): (a) Yes, Sir.

(b) The direction contained in the aforesaid order is being complied with subject to the availability of coal.

(c) Yes, Sir. Ministry of Coal being the administrative Ministry oversees the functioning of Coal India Limited and its subsidiaries.

(d) Question does not arise.

**Steps to boost FDI in coal and mining sector**

1805. SHRI R.S. GAVAI: Will the Minister of COAL be pleased to state:

(a) whether Government have formulated any strategy to boost the Foreign Direct Investment in coal and mining sector;

(b) if so, the details thereof;

(c) whether Government are considering to set up a Regulatory Authority for the country's coal sector;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRAHLAD SINGH PATEL): (a) and (b) In order to attract Foreign

Direct Investment in coal sector the Government have decided that the private Indian companies setting up or operating power projects as well as coal or lignite mines for captive consumption in such projects may be allowed foreign equity upto 100% provided that the coal or lignite produced by them is meant entirely for captive consumption in power generation.

100% foreign investment in the equity of an Indian subsidiary of a foreign company or in the equity of an Indian company for setting up of coal processing plants in India may be allowed subject to the conditions that such an Indian subsidiary or the Indian company (a) shall not do coal mining and (b) shall not sell the washed coal or sized coal from their Coal Processing Plants in the open market and shall supply the washed coal or sized coal from their Coal Processing Plants to the respective parties sending raw coal to such Coal Processing Plants for washing or sizing.

The other private Indian companies engaged in exploration or mining of coal and lignite for captive consumption for production of iron and steel and production of cement may be allowed foreign equity upto 74%.

The Government has liberalized its Foreign Direct Investment (FDI) policy in the mining sector which allows foreign equity holding upto 100%, on the automatic route for all non-fuel and non-atomic minerals except diamonds and precious stones, This covers exploration, mining, mineral processing and metallurgy. In the case of diamonds and precious stones, foreign equity upto 74% is allowed on the automatic route for both exploration and mining operations. However, proposals seeking higher than 74% foreign equity for diamonds & precious stones are considered by the Foreign Investment Promotion Board (FIPB). The Mines & Minerals (Development & Regulation) Act, 1957 has also been suitably amended to make it more investor friendly.

(c) and (d) Keeping in view the recommendations of the Committee on Integrated Coal Policy (Chari Committee), the Central Government decided in February, 1997, among other things, to set up an Independent Body to perform the functions of monitoring and processing the proposals for exploration of coal and lignite in the country and allotment of new coal and lignite blocks to Indian Companies, in public and private sector, on the basis of competitive bidding. Proposal was conceived in the context of the amendment to the Coal Mines (Nationalisation) Act, 1973 to allow

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non-captive coal mining by the private sector. Necessary action in the matter may be taken after the Coal Mines (Nationalisation) Bill, 2000 is enacted by the Parliament.

(e) Question does not arise.

**CIL agreement with ONGC for commercial exploitation of CBM**

1806. SHRI R.S. GAVAI: Will the Minister of COAL be pleased to state:

(a) whether the Coal India Limited has made any agreement with ONGC for commercial exploitation of Coal Bed Methane in the country;

(b) if so, the details thereof;

(c) whether any of the block from WCL has been chosen for development of CBM under this agreement;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRAHLAD SINGH PATEL): (a) and (b) Yes, Sir. Two blocks have been awarded to CIL-ONGC consortium on nomination basis. These two blocks are—Raniganj (about 356 Sq. KM) in the State of West Bengal and Jharia (about 85 Sq. KM) in the State of Jharkhand. Coal India Limited has signed a contract for the same along with ONGC with Government of India on 6/2/2003.

(c) No, Sir.

(d) Question does not arise.

(e) WCL blocks have not been considered for awarding to CIL-ONGC on nomination basis.

**Steps to tackle Pak-trained terrorists**

1807. MISS MABEL REBELLO:

SHRI B.J. PANDA:

Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that documents seized from Pak-trained