

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:3011  
ANSWERED ON:13.12.2006  
PRIVATE INVESTMENT IN COAL SECTOR  
Chowdhury Shri Adhir Ranjan;Nikhil Kumar Shri

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

- (a) whether the Government proposes to seek private investment in coal sector to meet the growing energy demands of the country as reported in the Statesman dated November 13, 2006;
- (b) if so, the details thereof;
- (c) the details of the private companies which have shown interest for investments in coal sector;
- (d) whether technological support has been sought from Russian entity for commercial utilisation of Underground Coal gasification; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR. DASARINARAYANA RAO)

- (a) & (b): Yes, Sir. Efforts of public sector coal companies would need to be supplemented with contribution from private sector as well in meeting the increasing demand for coal. However, private participation in coal mining is presently limited to captive consumption for production of iron & steel, cement & power. Further, 100% Foreign Direct Investment (FDI) is also allowed in the coal sector
- (c): 66 private sector companies of power, steel & cement sector have been allotted captive coal blocks.
- (d) & (e): Yes, Sir. Coal India Limited and Oil and Natural Gas Commission (ONGC) have entered into a MOU towards making a Joint Venture with equal partnership on 50:50 basis for a pilot project for underground coal gasification. ONGC has engaged NMRC-Skochinsky Institute of Mining, Russia as technical consultant for UCG project. Neyveli Lignite Corporation Ltd. (NLC) and Singareni Collieries Co. Ltd. (SCCL) have also entered into MoU with ONGC for developing underground coal gasification.