

**GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA**

UNSTARRED QUESTION NO:4034

ANSWERED ON:25.08.2004

POLICY FOR COAL EXCAVATION

Bishnoi Shri Jaswant Singh;Kushwaha Shri Narendra Kumar

Will the Minister of COAL AND MINES be pleased to state:

- (a) whether the Government have formulated any policy for coal mining in the country;
- (b) if so, the details thereof and the objective thereof;
- (c) whether Kolkata High Court has given any decision/direction on the coal policy;
- (d) if so, the details thereof;
- (e) whether the Government has complied with the said decision;
- (f) if so, the details thereof;
- (g) if not, the reasons therefor,
- (h) whether Government is contemplating to sell the remaining coal through open sale;
- (i) if so, by when it is likely to be done; and
- (j) if not, the reasons therefore?

Answer

MINISTER OF STATE FOR COAL AND MINES (DR. DASARI NARAYANA RAO)

(a) & (b): Under the Coal Mines (Nationalisation) Act, 1973 coal mining continues in the public sector only except for the purposes of captive mining for generation of power, production of iron and steel, manufacture of cement and washing of coal obtained from a mine where private sector companies are also allowed to carry on mining of coal. Revised coal mining policy enunciated in December, 2001 allows the State Government companies or undertakings to do mining of coking and non-coking coal or lignite reserves, either by opencast or underground method, anywhere in the country, without the earlier restriction of isolated small pockets.

(c): Yes. Sir. The Hon`ble Kolkata High Court has passed an order on 13.5.2004 on policy of sale of coal to core/non-core sector consumers.

(d): Division bench of Kolkata High Court in APO No.313/2001, APOT No. 469/2001, WP No. 1199/2000 vide its order dated 13.5.2004, inter-alia, has directed as follows :

` This classification does not stand to reason and we accordingly set aside this policy of sponsorship. After satisfying the need of the core sectors rest of coal has to be sold and distributed under open sales scheme on ` First-Come-First-Serve` basis. The appeal is allowed and the order passed by the learned single judge is set aside and the writ petition is allowed with no order as to costs.

However, if coal had been supplied to the petitioner in terms of the order of the learned single judge, then that shall not be affected by this order. This order will also not preclude Coal India Limited from honouring the existing contracts they had with the linked and or sponsored consumers.`

(e) & (f): Yes, Sir. In order to have a smooth transition from the existing distribution mechanism to non-core sector as per the above direction of Kolkata High Court a Special Leave Petition (SLP) has been filed in the Supreme Court of India, to modify the said order dated 13.5.2004 of Division Bench of Kolkata High Court.

(g): Does not arise in view of reply at (e) & (f) above.

(h) to (j): Sale of coal under open sales scheme is already in vogue in coal companies in terms of the scheme.