

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:610

ANSWERED ON:03.08.2011

CANCELLATION OF COAL BLOCKS

Majhi Shri Pradeep Kumar;Patel Shri Kishanbhai Vestabhai;Reddy Shri K. Jayasurya Prakash;Reddy Shri Magunta Srinivasulu

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

- (a) whether the Government has deallocated/cancelled or proposes to deallocate/ cancel captive coal and lignite blocks;
- (b) if so, the details thereof and reasons therefor alongwith the names of companies, during the last three years and the current year, year-wise and State-wise; (
- (c) whether the Government proposes to forfeit the bank guarantee submitted by each of such companies for failing to achieve commencement of production as per the terms and conditions of allotment:
- (d) if so, the details thereof alongwith the details of amount the Government proposes to recover from such bank guarantees: and
- (e) the details of the steps taken/being taken by the Government to expedite the work in other coal blocks?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF COAL(SHRI PRATIK PRAKASHBAPU PATIL)

- (a) & (b): The details of de-allocated coal and lignite blocks alongwith the names of companies, during the last three years and current year, year-wise and State-wise are given at Annexure-I.
- (c): No, Sir.
- (d): Does not arise in view of reply given at (c) above.
- (e): Development of coal blocks involves a gestation period of 3 to 7 years for reaching the production stage and another two to three years for reaching the optimal production capacity. the responsibility of developing the coal block as per the prescribed guidelines and milestones rests entirely with the allocatee company. In the terms and conditions of the allocation letters, it is categorically mentioned that in the event of willful delay in the development of coal blocks and in setting up of the end use project, the Govt. would take appropriate action to de-allocate the said block. In order to expedite the development of coal blocks, Government periodically monitors and reviews the development of allocated blocks as well as end use plants by the allocatee companies in the review meetings. Wherever delays are noticed, Government issues show cause notices and advisories to such allocatees cautioning them to bring the coal blocks into production as per the guidelines/milestones chart. The Coal Controller's office also monitors on regular basis the achievement of different milestones.