

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:5450

ANSWERED ON:09.05.2012

CASH DEPOSIT BY COAL BLOCK ALLOTTEES

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

- (a) whether the Government has made the private companies to deposit any cash bank guarantee at the time of allotment of captive coal blocks;
- (b) if so, the details of the cash or bank guarantee deposited by the private companies so far, company-wise;
- (c) whether the Government has forfeited the cash or bank guarantee of the companies who have not developed coal blocks according to norms;
- (d) if so, the names of private companies whose cash or bank guarantee has been forfeited by the Government so far; and
- (e) if not, the reasons therefor?

**Answer**

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

(a) & (b): The system of Bank Guarantee (BG) was first introduced in the year 2005 for private companies and in 2007 for Central/State PSUs also. The allottee company is required to submit a bank guarantee equal to one years' royalty amount based on mine capacity as assessed by CMPDIL or NLC, as the case may be within 3 months of the date of letter of allotment. Subsequently, upon approval of the mining plan the Bank Guarantee amount is modified based on the final peak rated capacities of the mine.

(c) to (e): No Bank Guarantee has been forfeited so far. The issue of deduction of Bank Guarantee for failure to meet milestones is under consideration.