

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:62

ANSWERED ON:27.11.2014

COAL BLOCKS

Kodikunnil Shri Suresh;Scindia Shri Jyotiraditya Madhavrao

Will the Minister of COAL be pleased to state:

- (a) whether the Supreme Court has recently quashed allocation of 214 coal blocks allotted to various companies and directed them to pay additional levy;
- (b) if so, the details thereof including financial implication of Supreme Court's observations on coal sector and other coal user entities;
- (c) the details of cancelled coal blocks, year-wise along with category and quantity of coal mined therefrom;
- (d) whether these companies have vacated the allocated mine sites and if so, the details thereof including the amount paid by the said companies to the Government and if not, the reasons therefor, company-wise; and
- (e) the steps taken by the Government to ensure that there is no disruption of production in various sectors dependent on cancelled coal blocks.

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a) to (e) : A Statement is laid on the Table of the House.

Statement referred to Parts (a) to (e) of Lok Sabha Starred Question No.62 for answer on 27.11.2014 asked by Shri Jyotiraditya M. Scindia and Shri Kodikunnil Suresh.

(a) to (c): Hon'ble Supreme Court of India in its judgment dated 25.08.2014 and order dated 24.09.2014 passed in W.P.(Criminal) No.120 of 2012 and other connected matters has declared all allocations of the coal blocks made through Screening Committee and through Government Dispensation route since 1993 as illegal and has cancelled the allocation of 204 coal blocks out of 218 coal blocks (i.e. except, Tasra coal block allocated to Steel Authority of India Ltd. and Pakri Barwadih coal block allocated to National Thermal Power Corporation and 12 coal blocks allocated for Ultra Mega Power Projects). In case of 42 coal blocks (37 producing and 05 likely to come under production), cancellation shall take effect from 31.03.2015. The Hon'ble Court has also imposed an additional levy of Rs.295/- per tonne on the total coal extracted since the commencement of production from the coal mine to be deposited with the Government within the prescribed time period. Category-wise details of cancelled 204 coal blocks is given below:-

Sl. No	Sector/Category	To Govt. Companies	To Private Companies	Total
	No. of Coal Blocks	No. of Coal Blocks		
1.	Power	53	30	83
2.	Commercial	42	-	42
	Mining			
3.	Iron & Steel	03	66	69
4.	Cement	-	06	06
5.	Small &	-	02	02
	Isolated Pockets			
6.	Coal To Liquid	-	02	02
	Total	98	106	204

Out of 204 cancelled coal blocks, production from 37 coal blocks had started. The details of year-wise quantity of coal mined since commencement of production from these 37 coal blocks is given at Annexure.

As regards financial implication of the judgment on the coal sector, the total amount of additional levy payable by the allocatees of producing coal blocks for the coal produced/likely to be produced upto March, 2015 is estimated at Rs.10494.36 crores. Financial implications in respect of other coal user entities have not been estimated.

(d) & (e) : In view of the cancellation of allocation of 204 coal blocks out of 218 coal blocks allocated since 1993, it was expedient in public interest for the Central Government to take immediate action in the light of the judgment of the Hon'ble Supreme Court to allocate coal mines to new allottees keeping in view of the energy security of the country and to minimize any impact on core sectors such as steel, cement and power utilities, which are vital for the development of the nation. Accordingly, for the management and reallocation of cancelled coal mines/ blocks, Government has promulgated 'the Coal Mines

(Special Provisions) Ordinance, 2014' on 21.10.2014. The Ordinance provides for allocation of coal mines and vesting of the right, title and interest in and over the land and mine infrastructure together with mining leases to successful bidders and allottees with a view to ensure continuity in coal mining operations and production of coal, and for promoting optimum utilization of coal resources consistent with the requirement of the country in national interest.