

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:3125
ANSWERED ON:11.12.2014
LAND OVER COAL BLOCKS
Tharoor Dr. Shashi

Will the Minister of COAL be pleased to state:

- (a) whether the title of land over coal blocks cancelled by the Supreme Court still vests in the allottees;
- (b) if so, the steps initiated to claim back such titles for fresh allocation;
- (c) whether the allottees had given bank guarantees to meet specific development milestones;
- (d) if so, the terms thereof;
- (e) whether such bank guarantees have been invoked or are being returned; and
- (f) if so, the details thereof?

Answer

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

(a) & (b) : For management and reallocation of cancelled coal blocks, Government has promulgated 'the Coal Mines (Special Provisions) Ordinance, 2014' on 21.10.2014 to ensure smooth transfer of rights, title and interests in the mines/blocks along with its land and other associated mining infrastructure to the new allottees to be selected through an auction or allotment to government company, as the case may be. As per provisions of Section 8 of the Ordinance, the successful bidder in an auction shall be entitled to the vesting of coal mine pursuant to a vesting order to transfer and vest upon the successful bidder all rights, title and interests of the prior allottee, among others. Similar provisions are applicable for the allotment to a Government company.

(c) to (f) : The system of submission of Bank Guarantee (BG) in allocation of coal blocks was introduced in year 2005 for private companies. Subsequently, the condition of BG was also imposed on coal blocks allocated to public sector companies. 50% of the BG was linked to the milestones (time schedule) set for development of coal block and the remaining 50% to the guaranteed production as per the approved mine plan.

Hon'ble Supreme Court of India in its judgment dated 25.08.2014 and order dated 24.09.2014 passed in Writ Petition (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 arbitrary & illegal and has cancelled the allocation of 204 coal blocks out of 218 coal blocks. The issue as to whether the BG deposited by the allocatees should be invoked or returned is under consideration of the Government.