

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:4312
ANSWERED ON:18.12.2014
IMPOSING OF PENALTY
Thota Shri Narasimham

Will the Minister of COAL be pleased to state:

- (a) whether it is a fact that the penalty imposed @ Rs. 295 per tonne on the mines that have not been allocated which were either operational or nearly so, has not been well received by the industry;
- (b) if so, whether it is also a fact that the industry has alleged that most of these coal blocks had an inferior grade of coal that is Grade F and G;
- (c) if so, the details thereof;
- (d) whether Coal India Limited was selling Grade F and G Coal between Rs. 430 and Rs. 570 per tonne; and
- (e) if so, the details thereof?

Answer

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

(a) to (c): Coal blocks which were allocated during 1993 to 2011 were having coking as well as non-coking coal of various grades. 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 & arbitrary and has cancelled the allocation of 204 coal blocks out of 218 coal blocks. 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. 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. Coal Contro- ller's Organisation has been authorized to collect the additional levy as imposed by Hon'ble Supreme Court.

(d) & (e): The selling price of coal of Coal India Limited (CIL) is revised from time to time. CIL has switched over from Useful Heat Value (UHV) to Gross Calorific Value (GCV) system of grading and pricing of non-coking coal with effect from 01.01.2012. Under the UHV regime, the non-coking coals were classified into seven grades i.e. Grades A to G which under the GCV regime has been re-classified into seventeen grades i.e. Grades G1 to G17.