

## FICCI's submissions following judgment of Hon'ble Supreme Court declaring the process of allocation of captive coal blocks since 1993 as illegal

**New Delhi, 28 August 2014:** "FICCI has consistently advocated the principles of transparency and constitutionality in allocation of natural resources (including coal) and making these rapid, enforceable and certain via robust processes" **said Mr. Sidharth Birla, President, FICCI.**

**Mr Birla further stated**, "This latest judgment has once again brought to the fore concerns about the country's policy regime and has the potential to disrupt restoration of investors' trust. We reasonably expect that any extreme step (such as possible en-masse cancellation of allocations) shall not compromise legitimate business and investors who participated in good faith in processes laid out over an extended period by the governments of the day. Of course, in cases of proven mala fide, the law must take its own course."

"At stake are productive assets estimated at Rs. 2,86,000 crore till 2012, which could be left stranded and rendered Non-Performing, in a hitherto unprecedented manner. We urge the fullest consideration of multiple levels of serious economic implications to the Nation, including loss of employment, replacing domestic loss of production with imports and compromising energy security.", **said Mr. Birla.**

"One tangible solution going forward could be introduction of independent mining companies, selected by competitive revenue-sharing bidding and engaging them from exploration to mining in un-mineralised blocks; this is in line with global practices. Use of electronic platforms for market access and price discovery ensures transparency and avoids implicit transfers from the Centre. A comprehensive legislation encompassing these objectives is urgently required to overhaul the coal sector" **added Mr. Birla.**

\*\*\*\*\*