

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:2445

ANSWERED ON:24.11.2010

BLACK MARKETING OF COAL

Haque Shri Sk. Saidul;Laguri Shri Yashbant Narayan Singh;Owaisi Shri Asaduddin;Ray Shri Rudramadhab ;Roy Shri Mahendra Kumar

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

- (a) whether it is a fact that seven years ago, a private company acquired rights to extract coal as raw material for expansion of its sponge iron plant in Chhattisgarh, Korba district in Chotia block;
- (b) if so, whether the company has emptied coal in one sq.km without expanding its plant; (
- (c) if so, whether the extra coal extracted has been sold in black market;
- (d) if so, whether the Government inquired into the matter;
- (e) if so, the findings thereof;
- (f) whether the Ministry of Environment and Forests has recently classified this area as `no go` area putting it out of bounds for mining; and
- (g) if so, the present position of mine and the action taken by the Government in this regard?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF COAL AND MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION (SHRI SRIPRAKASH JAISWAL)

(a): M/s Prakash Industries Ltd. has been allocated Chotia coal block on 04.09.2003 for its proposed 4 lakh tonnes per annum (LTPA) expansion capacity of sponge iron plant under Section 3(3)(a) (iii) of the Coal Mines (Nationalisation) Act, 1973. For its existing 4 LTPA capacity sponge iron project and captive power plant, the company was having coal linkage from Coal India Ltd. However, on starting production from Chotia block, the coal lifting from linkage for its existing plant was gradually reduced synchronizing with captive production and the company requested for surrender of coal linkage and sought permission to use coal from Chotia block. This was on account of delay in developing the additional capacity of 4 LTPA. Ministry of Coal accepted the request of surrender of coal linkage of its existing sponge iron plant on 23.10.2007.

(b) to (e): On the issue of allocation of coal blocks to M/s Prakash Industries Ltd. and alleged sale of coal in the market, the Central Bureau of Investigation has registered a case against the company and investigating the matter. The findings of the investigation are not known to the Ministry of Coal.

(f) & (g): An exercise has been taken up jointly by Ministry of Coal and Ministry of Environment and Forests to superimpose maps of coal bearing areas on maps of forest cover in case of nine coalfields with a view to identify prima-facie `Go` and `No-Go` areas for coal mining. The exercise is in advanced stage. However, the Chotia coal block has already started production of coal after obtaining necessary clearances.