

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:3815

ANSWERED ON:18.02.2014

PENALTY ON COAL INDIA LTD

Chitthan Shri N.S.V.;Gaikwad Shri Eknath Mahadeo;Ganeshamurthi Shri A.;Mandlik Shri Sadashivrao Dadoba

Will the Minister of COAL be pleased to state:

- (a) whether the Competition Commission of India has recently imposed a penalty of crores of rupees on the Coal India Limited (CIL) and its subsidiaries;
- (b) if so, the details thereof and the reasons therefor;
- (c) the response of the CIL thereon; and
- (d) the corrective measures taken by the CIL in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL)

(a)&(b) Competition Commission India (CCI) has imposed a penalty of Rs. 1773.05 crores on Coal India Limited (CIL). Besides this, CCI has also given following directions to CIL:

(i) The Fuel Supply Agreements (FSAs) are ordered to be modified in light of the observations and findings recorded in the present order. For effecting these modifications in the agreements, CIL is further directed to consult all the stakeholders. CIL is also directed to ensure parity between old and new power producers as well as between private and PSU (Public Sector Undertaking) power producers, as far as practicable.

(ii) CIL is further directed to incorporate suitable modifications in the FSAs to provide for a fair and joint sampling and testing procedure.

(iii) CIL may also consider and examine the feasibility of sampling at the unloading-end in consultation with power producers besides adopting international best practices. CIL may also hasten the process of installing Augur Sampling Machines and washeries to help improve the coal supplied.

(c)&(d) CIL has preferred an appeal on January 08th, 2014 under sub-section (1) and (2) of Section 53 B of the Competition Act, 2002 before the Competition Appellate Tribunal (COMPAT), New Delhi and also an interim application for stay in the matter.

The Appeal was first heard on 13th January 2014. The COMPAT had ordered for a status quo to be observed till further orders. On 11th February, 2014, the CCI was directed not to take any coercive steps against CIL. No final order has been passed by COMPAT in the matter.