

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:6708
ANSWERED ON:07.05.2015
SALE OF COAL BY PRIVATE COMPANIES
Patole Shri Nanabhau Falgunrao

Will the Minister of COAL be pleased to state:

a. whether the Government has suffered huge financial losses due to several irregularities including sale of coal by private companies after getting it on control rate; b. if so, the total loss suffered during the last three years and the action taken by the Government in this regard; c. whether the Government has investigated and taken action against the defaulters involved in the huge irregularities in coal mining from Garepalma -2 Coal mine; d. if so, the details thereof and if not, the reason therefor; and e. the stringent measures taken by the Government for optimum utilization of coal from coal mines and to bring transparency in this process?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF COAL, POWER AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a) & (b) Mandate of Coal India Limited (CIL) is to mine and sell coal on the basis of Fuel Supply Agreement (FSA) / Memorandum of Understanding (MOU) to willing consumers having valid linkage/letter of Assurance (LoA). The coal is sold to all the consumers, including private players, under proper authorization. As per terms and conditions of Fuel Supply Agreement (FSA), the purchaser of coal cannot sell/divert and or transfer the coal for any purpose other than specified. In the event of any breach of agreement, the FSA is liable for termination by the coal company.

(c) & (d) Garepalma Sector 2 coal block was jointly allocated to State Public Sector Undertakings namely M/s Tamil Nadu Electricity Board and Maharashtra State Electricity Board for generation of power. The said block did not come into production and the same has since been cancelled as per Hon'ble Supreme Court's Judgement dated 25.8.2014 and Order dated 24.9.2014.

(e) The Central Bureau of Investigation (CBI) has registered 3 Preliminary Enquiry (PE) cases regarding alleged irregularities in allocation of coal blocks. As per Hon'ble Supreme Court Order, allocation of 204 coal blocks have been quashed, imposing additional levy of Rs. 295/- per tonne of coal produced from the producing captive coal blocks. After cancellation of these 204 coal blocks fresh auction/allotment is being done by the Ministry of Coal through a transparent, fair and objective process as per the Coal Mines (Special Provision) Act, 2015 and Rules made thereunder.