

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

STARRED QUESTION NO:319

ANSWERED ON:13.12.2006

BLACK MARKETING OF COAL

Yadav Shri Giridhari;Yadav Shri M. Anjan Kumar

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

- (a) whether certain coal companies are selling coal mines from the coal blocks allocated to them to other parties in violation of the agreement entered into for its use;
- (b) if so, the details thereof;
- (c) the provisions for utilisation of coal extracted from the coal blocks allocated to them in addition to the requirement for captive use;
- (d) whether certain companies have acquired coal blocks allegedly through unfair means and are selling coal in black market instead of using the coal for captive use;and
- (e) if so, the action taken/ proposed to be taken by the Government against such companies?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO)

(a) to (e): A statement is laid on the table of the House.

STATEMENT REFERRED TO IN ANSWER TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 319 TO BE ANSWERED ON 13.12.2006 ASKED BY SHRI ANJAN KUMAR M.YADAV & SHRI GIRIDHARI YADAV REGARDING BLACK MARKETING OF COAL

(a) & (b): In so far as blocks allotted to private companies for captive use are concerned, the only incident of illegal mining of coal in violation of the condition of captive use of coal in their end-use plant, that has come to the notice of the Central Government, was in respect of M/s Central Colliery Company Ltd., where they had sold coal mined from the Takli-Jena-Bellora (South) coal block allocated for captive mining of coal for use in their proposed power plant. The lease granted by the Government of Maharashtra in favour of them in respect of the said block has been declared void by the Revisional Authority constituted by the Central Government in exercise of its power of revision under the Mines & Minerals (Development & Regulation) Act, 1957.

(c): The annual production capacity of a coal mine depends mainly on the geology of the reserve and geography of the surface. At the time of allocation of coal blocks, requirement of the allocatee is matched with the quantity of coal reserve in a block. Since exact match is not always possible, the assessed production capacity of a mine can be marginally more or less than the requirement of the allocatee. However, the allocatee, in its approved mining plan, plans extraction of coal to the extent of its annual requirement, as far as possible.

In case of any excess production, the allocatee is required to dispose of the same to the local subsidiary of Coal India Limited at a price to be determined by the Ministry of Coal. Surplus is also allowed in force majeure situations to be disposed off to approved end user, with prior approval of the Government.

(d): No, Sir.

(e): Does not arise in view of reply to part (d) above.