

**LOK SABHA
UNSTARRED QUESTION NO.26
FOR ANSWER ON 18/11/2019**

PURCHASE OF SUB-STANDARD COAL

26. SHRI SUSHIL KUMAR SINGH:

Will the Minister of STEEL be pleased to state:

- (a) whether the LTA signed between SAIL and M/s Werris Creek (valid till December, 2014) guaranteed the moisture and total absolute moisture in the coal supplied by the seller should be upto 10% and 12% respectively and if so, the details thereof;
- (b) whether the Government is aware that the SAIL bought sub-standard coal from M/s Werris Creek as in the new agreement signed with them effective from January, 2015 the guaranteed moisture and the total absolute moisture limits were modified;
- (c) if so, whether the Government is aware that these parameters were made applicable retrospectively from July, 2014, thus, leading to loss to public exchequer amounting to crores of rupees; and
- (d) if so, the details of action taken against the SAIL's management and if not the reasons therefor?

ANSWER

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

(a)to(c): As informed by SAIL, the Long Term Agreement (LTA) No. 706/2008 dated 06/08/2008 for purchase of Pulverised Coal Injection (PCI) was valid till December, 2014. SAIL has further informed that SAIL did not buy sub-standard coal from M/s Werris Creek. The Moisture content was modified in the new agreement. SAIL has reiterated that no sub-standard coal was purchased and the revision in terms of supplies from July – September, 2014, being effective from July, 2014 was in line with the settlement reached in June, 2014 itself.

- (d) Question does not arise in view of reply to (a) to (c) above.
