

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
STARRED QUESTION NO. *47
TO BE ANSWERED ON 23.07.2025**

Degraded Coal Supply by Coal India Limited

†*47. Shri Shyamkumar Daulat Barve:

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

- (a) whether Comptroller and Auditor General (CAG) found many cases of degraded coal supply by Coal India Limited (CIL) to its consumers repeatedly during the last five years causing financial loss to power companies/other consumers;
- (b) if so, the details thereof along with number of complaints received by CIL during the last five years along with the action taken thereon;
- (c) whether it is a fact that according to CAG, consumers have suffered losses to the tune of thousands of crores of rupees due to grade slippage in some of the coal companies of CIL and if so, the details thereof; and
- (d) whether it is a fact that there is severe lack of transparency in the process of collection and analysis of coal by the subsidiaries of CIL and the third party sampling or impartial laboratory reporting is not being done and if so, the details thereof?

**ANSWER
MINISTER OF COAL AND MINES
(SHRI G. KISHAN REDDY)**

(a) to (d): - A Statement is laid on the table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (A) TO (D) OF LOK SABHA
STARRED QUESTION NO. *47 FOR ANSWER ON 23.07.2025 ASKED BY SHRI
SHYAMKUMAR DAULAT BARVE:**

(a), (b) & (c): To address concerns of the coal consumers regarding quality of coal supplied by the coal companies, a Standard Operating Procedure for Third Party Sampling & Analysis of coal at the loading end, was introduced by Ministry of Coal vide directives dated 26.11.2015. Sampling of coal at the loading end is conducted through Independent Third Party Sampling Agencies (TPSAs).

The Coal Controller Organisation (CCO) declares and notifies the grade (GCV) of coal on annual basis. Due to inherent heterogeneous characteristics of Indian coal and during mining of coal in the actual mining process, the grade of dispatched coal may vary from consignment to consignment as compared to the coal grade declared by the CCO. This difference in grade is later adjusted with the finally accepted GCV (analyzed by the Third Party Sampling Agencies/ referee labs, as applicable). In case of up-gradation of billed grade, Debit Notes are issued, whereas, in case of down-gradation of billed grade, Credit Notes are issued. The mechanism of issuing Debit Notes and Credit Notes ensures that there is no loss to consumers for coal grade slippages, if any.

Comptroller and Auditor General (CAG) flags the issues related to quality of coal supplied by Coal India Limited during the course of annual audits. At present, no CAG paragraphs related to coal grade slippage are pending.

However, since July 2023, CIL has received 186 consumer grievances (other than CAG paragraphs) pertaining to coal quality related issues, out of which 171 grievances have been resolved. Resolution of these grievances is a continuous process and is as per established procedure.

(d): All the subsidiaries of Coal India Limited follow a transparent process of collection and analysis of coal. Their consumers can choose any of the TPSAs empaneled for the purpose of Third Party Sampling.

To ensure transparency in the process of collection and analysis of coal by the TPSA, following clauses are provided in the RFP/Model Tripartite Agreement (signed between Seller, Purchaser & TPSA) and Fuel Supply Agreements (FSAs):

- i. The representative(s) of the Seller and Purchaser can witness the process of sample collection and preparation at loading point.
- ii. The sample for testing by TPSAs/Referee Samples are packed and sealed in temper-proof metal bottles with 3D Holograms, QR Codes and RFID tags at coal sampling site itself.
- iii. Online tracking of samples at all stages is provided from sample preparation to analysis at Agency laboratory and referee laboratory.
- iv. Software system-based double blinding of coal samples is ensured for sending the same to NABL Accredited laboratory.
- v. Sample collection, preparation and storage is under CCTV Camera with live streaming facility.