



"Shocked" Birla group officials said it was "unfair" to bring the group chairman, Kumar Mangalam Birla, into the FIR, as he was not looking after day-to-day operations of Hindalco

Allegation paradoxical, charges preposterous, says Hindalco MD

Hindalco MD Debu Bhattacharya said in a statement the application for the Talabira II mine was made in 1996 by Indal, the Indian arm of Canada's Alcan. In 2000, Hindalco acquired Indal and pursued the matter further. The actual allocation of the mine was done in November 2005, nine years after the first application was made.

"In the interim, Hindalco made several representations to the government, as any corporation would in such circumstances, and only through formal channels. To imply that Birla managed to overturn the decision of the screening committee is preposterous," said Bhattacharya.

"The truth is the Talabira II and III mines together have been finally allotted jointly to Mahanadi Coal Fields and Neyveli Lignite, both PSUs, with Hindalco having only a 15 per cent stake in the JV. The project for which this mine was allocated, Aditya Aluminium, is ready to be commissioned later this month, but approvals for mining have not been received so far. So, no mining has been carried out. This will mean delayed returns from Aditya Aluminium, which has been set up for a capex of over ₹1,000 crore," he added.

"We hope this puts in perspective the struggle Hindalco has had to undergo for securing coal and the irrecoverable economic loss that Hindalco has had to suffer. In the light of these facts, the allegations made are paradoxical," he further said.

> What's the coal scam?

CAG accused the UPA govt of allocating 194 coal blocks for captive use in a flawed way between 2004 and 2009

> CAG's premise?

The exchequer suffered a huge loss, while firms enjoyed windfall on govt's non-transparent policy. Govt could have gone for bidding but didn't. Many politicians indulged in crony capitalism. Some private firms sold coal meant for internal use in the open market

> What's the loss?

CAG initially estimated a ₹10.6-lakh-crore loss but the final report put the figure at ₹1.86 lakh crore

> What's govt's defence?

The delay in going for the auction process was a result of coalition politics. Opposition-ruled states

opposed the method. Revenue maximisation shouldn't always be the govt's motive

> What's the fallout?

CBI has so far lodged 14 cases against individuals and firms. An IMG suggested de-allocation of 13 blocks and forfeiture of bank guarantees of 14 allottees. A standing committee suggested all allocations between 1993 and 2008 be cancelled

> What's PM Singh's role?

Former Coal Secretary P C Parekh hit out at the PM last year for overruling his call for actions. When the PM had the charge of the coal ministry as well, 142 blocks were allotted

> What about missing files?

157 files crucial to the probe have gone missing. Coal ministry says it has deposited most with CBI, but reports show 18-20 are still missing

7 THINGS YOU WANTED TO KNOW



- **Jun '93** Coal Mines (Nationalisation) Amendment Act passed to allow captive coal mining
- **'93 to '09** Govt allocates 210 coal blocks to private and public-sector firms for captive consumption
- **Jun 1, '12** CBI registers preliminary enquiry (PE) for coal block allocation between 2006 and 2009

- **Aug 17, '12** CAG alleges govt extended undue benefits to firms by not auctioning 57 blocks allocated between 2006 and 2011
- **Aug 27, '12** PM tells Parliament CAG's assessment of ₹1.86-lakh-crore revenue loss not justified
- **Sep '12** CBI begins questioning in the alleged coal scam after CVC forwards complaints; raids

- conducted, FIRs filed
- **Jun '13** FIR against JSPL Chairman Naveen Jindal; former MoS for coal Dasari Narayan Rao also named
- **Sep '13** Fresh PEs filed by CBI into the missing files for allocation of coal blocks from 1993 to 2009
- **Oct 15, '14** CBI files FIR against K M Birla and former coal secretary P C Parekh

THE PITTS

Cases filed in the alleged coal block allocation scam so far

- 4 Sep, '12**
 - 3 directors of Jas Infra
 - 7 directors of Vini Iron and Steel
 - 2 directors of Navbharat Power
 - 2 directors of JLD Yavatmal (also senior Congress members)
 - 3 directors of AMR Iron and Steel

- 15 Oct, '12**
 - CA and two directors of Kamal Sponge and Steel
 - Six directors of Green Infra (now known as Athena Infra projects)

- 23 Sep, '12**
 - Six directors of Vikash Metals and Power
 - Two directors of Grace Industries

- 11 Mar, '13**
 - The chairman and the MD of Jharkhand Ispat Pvt Ltd

- 27 Apr '13**
 - Two directors of Pushp Steel and Mining

- 11 Jun '13**
 - Naveen Jindal, chairman of JSPL and Gagan Sponge Iron, and former MoS for coal Dasari Narayan Rao

- 19 Jun '13**
 - CEO of Rathi Steel and Power