

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:306
ANSWERED ON:06.08.2013
DENIAL OF PAYMENT BY POWER COMPANIES
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Will the Minister of COAL be pleased to state:

- (a) whether the Government/Coal India Limited (CIL) are supplying coal to some power companies even though they have denied to make payment to coal companies due to poor quality of coal;
- (b) if so, the details thereof along with the details of the amount to be paid by these power companies to CIL, company wise;
- (c) the reasons for supplying poor quality coal to such power companies; and
- (d) the steps being taken by the Government to improve the quality of coal supplied and recover the dues from these power companies?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL)

- (a) Power companies have not denied to make payment to coal companies, but some State generating companies/power utilities are resorting to partial withholding of payments. However, Coal supplies are not stopped immediately in such cases in order to avoid generation loss.
 - (b) Does not arise in view of reply given in (a) above.
 - (c) As coal is heterogeneous in nature it is possible that some extraneous material may go along with the coal, for which a provision for compensation for stones has been laid down in the Fuel Supply Agreements (FSAs) under which coal is being supplied. As per FSA, joint sampling & analysis at loading ends is also extended to the power plants and pricing done accordingly.
 - (d) In order to ensure improvement in the quality of coal the following steps are being taken by the CIL:-
 - a) Selective Mining by Surface Miners and adopting Clean Coal Technology;
 - b) Appropriate positioning of over burden and coal benches to avoid contamination;
 - c) Scrapping/cleaning of coal benches before blasting;
 - d) Installation of metal detectors/magnetic separators over conveyors before loading coal;
 - e) High capacity coal handling plant to dispatch sized/uniform quality of coal at major projects;
 - f) Establishment of well equipped laboratories at project for regular quality assessment;
 - g) Shale picking at mine face, stock and loading points/sidings for consistent quality;
 - h) Installation of Auto Mechanical Samplers (AMS) at all silo loading points;
- The Ministry has written to the Ministry of Power requesting it to ensure payment of overdues.