

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

STARRED QUESTION NO:359

ANSWERED ON:13.08.2015

Recovery of Outstanding Dues

Chowdhury Shri Adhir Ranjan;Jena Shri Rabindra Kumar

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

- (a) whether the Coal India Limited (CIL) is supplying coal to power generation companies after deducting part of their payments for settling past dues;
- (b) if so, the details thereof;
- (c) whether there is a systemised mechanism for recovering the past dues of CIL and for minimizing the risk of default; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF STATE (I/C) IN THE MINISTRY OF COAL, POWER AND NEW AND RENEWABLE ENERGY

(SHRI PIYUSH GOYAL )

A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Q.No.359 for answer on 13.08.2015 asked by SHRI ADHIR RANJAN CHOWDHURY and SHRI RABINDRA KUMAR JENA.

(a)&(b): Coal is supplied to power generation companies under Fuel Supply Agreement (FSA) from sources of Coal India Limited (CIL) and its subsidiary companies. As per provisions of FSA, the power generation companies are required to make advance payment for availing coal supplies. In general, coal supplies are not reduced on account of deductions from current payments for settling past dues, except for those cases where huge outstanding dues have accumulated.

(c)&(d): As per FSA norms, there is no laid down mechanism clause for recovering the past dues of CIL and minimizing the risk of default. However, FSA provides for levy of interest and also the right of the seller (coal companies) to regulate the supplies in the event of default in payment.

Apart from the above, coal companies have a process of reconciliation of dues with power generation companies by mutual settlements, whenever necessary, and in case of disputes, the matter is taken up with arbitrator for settlement.

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