

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:3050  
ANSWERED ON:11.12.2014  
SUPPLY COMMITMENTS TO POWER COMPANIES  
Arunmozhihevan Shri A.

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

- (a) whether the Coal India Limited (CIL) has agreed to a staggered level of penalty ranging from 1.5 per cent to 40 per cent of failure to meet supply commitments to power companies in the recent board meeting of the CIL;
- (b) if so, the details thereof;
- (c) whether the CIL also concurred to amend the model for fuel supply agreements;
- (d) if so, whether the CIL has consented for importing coal for attaining a trigger level of 80 per cent of the contracted quantity; and
- (e) 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

(atoc):Yes, Madam.The Model Fuel Supply Agreement(FSA) with the new power plants commissioned /being commissioned after 31.3.2009 to 31.3.2015 was initially modified by CIL Board in its 282ndmeeting held on 16.04.2012 pursuant to a Presidential Directive issued on 04.04.2012, which was further modified by the CIL Board in its 286thmeeting held on 07.08.2012. Amongst other modifications, the Board also considered to revise the penalty for supply of coal below the minimum assured supply commitment under the FSA i.e. trigger level 80% of the Annual Contracted Quantity (ACQ) in a staggered manner on linear basis. The table of penalty as finally approved by CIL Board, pursuant to the second Presidential Directives dated 17.07.2013, in its 300thMeeting held on 03.08.2013 is enclosed as Annexure.

(d&e):The Presidential Directive stipulated that taking into account the overall domestic availability and the likely actual requirements of these power plants, FSAs be signed for domestic coal quantity of 65%,65%,67% and 75% of ACQ for the years 2012-13, 2013-14, 2014-15 and 2016-17, respectively. Further the directive also stated that to meet its balance FSA obligations (i.e. the gap between trigger level quantity and the respective years' domestic commitment level), CIL may import coal and supply the same to the willing power plants on cost plus basis. Power plants could also directly import coal themselves, if they so opted. Accordingly, CIL under the FSA provided a scope to the Power plants to opt for supply of imported coal through CIL to meet the trigger level commitment.