Fuel supply agreements

- *284. SHRI S. THANGAVELU : Will the Minister of COAL be pleased to state:
- (a) whether it is a fact that the Coal India Limited (CIL) has agreed to a staggered level of penalty ranging from 1.5 per cent to 40 per cent for failure to meet supply commitments to power companies in its recent board meeting;
 - (b) if so, the details thereof;
- (c) whether it is also a fact that CIL has also concurred to amend the "April 16 model" for fuel supply agreements; and
- (d) whether CIL has consented for importing coal for attaining a trigger level of 80 per cent of the contracted quantity, if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI PIYUSH GOYAL): (a) to (c) Yes, Sir. 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 282nd meeting 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 286th meeting 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 300th Meeting held on 03.08.2013 is given in Statement (*See* below).

Apart from above, minor modifications in the provisions of the FSA were also carried out from time to time, as and when references were received from the stakeholders.

(d) The Presidential Directive dated 17.07.2013 stipulated that taking into account the overall domestic availability and the likely actual requirements of the identified power plants getting commissioned between 1.4.2009 and 31.3.2015 and having an aggregate capacity of 78000 MW, FSAs be signed for domestic coal quantity of 65%, 65%, 67% and 75% of ACQ for the years 2013-14, 2014-15, 2015-2016 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.

Statement

The table of penalty as finally approved by CIL Board

Source	Level of Delivery/Lifting of coal in a year	Percentage of penalty for the failed quantity (at the rate of weighted average of Base Prices of Grades of coal supplied)		
	-	2012-13 2013-14 & 2014-15	2015-16	2016-17 onwards
1	2	3	4	5
Imported + Domestic Quantity	Below 100% but up to 80% of ACQ	NIL	NIL	NIL
Applicable for Imported Coal only	Below 80% but up to 75% of ACQ	0 - 1.5	0 - 1.5	0 - 1.5
	Below 75% but up to 67% of ACQ	_	-	-

[15 December, 2014]

Starred Questions

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Note: Penalty slabs were framed for the respective years keeping in view the Presidential Directive to assure domestic supply at 65% of ACQ for the year 2012-13 to 2014-15, 67% in the year 2015-16 and 75% in the year 2016-17 onwards.

Introduction of pre-primary sections in schools

*285. SHRIMATI JHARNA DAS BAIDYA: Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

- (a) whether Government has any plan to introduce pre-primary sections in all primary schools in the country;
- (b) whether Government is going to include the education of age group 4-6 years within the purview of the right of children to free and compulsory Education (RTE) Act, if so, the details thereof; and
 - (c) if not, the reasons therefor?

Written Answers to