



## ALL INDIA ASSOCIATION OF COAL EXECUTIVES (AIACE)

(Regd. under The Trade Union Act 1926; Regd. No. 546 / 2016)

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Ref No. **AIACE/CENTRAL/2020 / 046**

**Dated 17.5.2020**

To

Sri Pralhad Joshi ji  
Honourable Minister of Coal & Parliamentary Affairs,  
Government of India  
New Delhi

Sub: Fund Crisis in BCCL, A subsidiay of CIL

Sir,

With your kind permission, the All India Association of Coal Executives (AIACE), may be permitted to highlight the issue of financial crisis in BCCL, a subsidiary of Coal India Ltd.

Bharat Coking Coal is struggling for fund to pay salaries to its 42,000 employees due to non-payment/part Payment from customers in the last few weeks.

As per rough estimate, Bharat Coking Coal Ltd usually receives from consumers, every month, around Rs 1,000 crore out of which it spends Rs 450 crore on salaries, and another Rs 450 crore on levies and input costs.

It is gathered that, total dues from power companies have crossed Rs 3,200 crore, one of the highest among subsidiaries, due to liquidity crisis faced by electricity generators during the lockdown. The entire working capital has been spent on producing and supplying coal to state-owned customers on credit.

In March, the company managed to pay salaries and continued production in April by raising finances against its bank fixed deposits, the limit for which has been exhausted. Its major customers refused to settle past dues, citing tight liquidity position.

Power companies are also declining to acknowledge invoices raised recently, as executives are unavailable due to the lockdown. It is acting as an impediment to raising additional working capital through invoice discounting from banks.

The situation started deteriorating from mid-March when payments from Bharat Coking Coal's major customers Damodar Valley Corporation (DVC) and West Bengal Power Development Corporation (WBPDCL) fell to a trickle. It is to mention here that, these two constitute more than 80% of BCCL sales. In March, they paid only a small portion of their dues while in April, both these companies did not settle the bill despite repeated request.

Under the circumstances, it is requested to help create a sustainable recovery method so that Central Government finds itself in a position to help these affected PSUs to come out of woods and a suitable package is also addressed to them for recovery.

Thanking you,

Yours Sincerely



P.K.SINGH RATHOR  
Principal General Secretary

Cc:

Honourable Prime Minister, Govt of India, New Delhi.  
Honourable Finance Minister, Govt of India, New Delhi.  
Chairman, CIL, Kolkata.  
Director (Finance), CIL, Kolkata.  
CMD/DF, BCCL, Dhanbad.