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CIL output recovers

■ **CALCUTTA:** Coal India on Wednesday said for the first time in the ongoing financial year on October 20, it has neutralised the negative growth in production for the year. With a production of 265.69 million tonnes (mt), there was a marginal 0.04mt increase in volume terms. The miner's production had suffered an 11.6 per cent decline in the first quarter of 2020-21.

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CIL's production growth no longer in negative terrain

FE BUREAU
Kolkata, October 21

COAL INDIA (CIL), which has been clocking negative growth in production during this fiscal, has been able to neutralise it for the first time. The production of 265.69 million tonne (mt) recorded on October 20 has come at level with last year's output on the same date.

The company posted a marginal 0.04 mt increase in volume terms, thanks to a catalytic role by Mahanadi Coalfields and Northern Coalfields, which produced 71.7 mt and 60 mt as of October 20 – an increase by 9.61 mt and 3.15 mt, respectively, on a year-on-year basis, a CIL statement said.

CIL began posting strong growth in production and offtake from August and recorded the highest-ever production and offtake growth in September, clocking 31.6% and 31.7%, respectively.

In October, CIL recorded around 20% growth in output



and 24.3% in offtake.

Now on, ramping up coal production would not be a problem, especially with coal seams exposed.

Over-burden removal grew phenomenally at 71% in September and 22.3% during the first half of the fiscal, a senior company executive said.

The first quarter of the fiscal suffered 11.6% growth constriction in production and 21.5% slump in offtake. Considering this huge setback, the company came back strongly, expunging the negative trend in output on October 20.

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सीआईएल को कोयले के उठाव में तेजी की उम्मीद

नयी दिल्ली: कोल इंडिया लिमिटेड (सीआईएल) ने बिजली संयंत्रों और गैर नियमित क्षेत्र के ग्राहकों के अधिक मात्रा में कोयले की खरीद करने में दिलचस्पी दिखाने पर उम्मीद जतायी है कि नवंबर तक कोयले के उठाव में तेजी आ सकती है। सीआईएल के उत्पादन में अगस्त से तेजी आनी शुरू हो गयी है लेकिन इसकी बिक्री गत वित्त वर्ष की समान अवधि की तुलना में सुस्त बनी हुई है। कोरोना वायरस कोविड-19 के संक्रमण के कारण मची अफरातफरी का असर कोल इंडिया के उत्पादन और बिक्री दोनों में देखा गया। चालू वित्त वर्ष की पहली तिमाही में सीआईएल का उत्पादन में गत वर्ष की समान अवधि की तुलना में 11.6 प्रतिशत तथा बिक्री में 21.5 प्रतिशत की गिरावट दर्ज की गयी। सीआईएल की स्थिति में अगस्त से सुधार शुरू हो गया।

CIL optimistic of 5-7% increase in output

Targets production of 640-650 mt; bets on the revival of economy

SHOBHA ROY

Kolkata, October 23

Coal India Ltd (CIL) is hopeful of achieving 5-7 per cent growth in production at around 640-650 million tonnes (mt) in FY21, as compared with 602.14 mt in 2019-20.

CIL witnessed close to 12 per cent drop in production and around 22 per cent decline in offtake due to poor demand during the first quarter of this fiscal. However, with industrial and commercial activities picking up from July onwards and demand for coal improved, CIL was able to shrug off the Q1's tepid growth and clocked 11 per cent rise in production and nearly 10 per cent increase in off-take during Q2 over the same quarter last year.

In September, CIL recorded


the highest ever production at 40.51 mt (30.78 mt), while off-take grew by nearly 32 per cent to 46.46 mt (35.28 mt).

The growth momentum has continued in October with the company posting around 20 per cent rise in output and 24 per cent growth in offtake as on date.

It is to be noted that the coal behemoth had fallen short of its targeted production in the last fiscal. There were apprehensions that the company might witness de-growth this year on the back of the poor demand situation in the wake of the pandemic.

For FY20, CIL achieved 91 per cent of its targeted production of 660 mt. The company closed the fiscal year 2019-20 with an annual coal production of 602.14 mt, which is marginally lower

	2018-19	2019-20	2020-21 (Expected)
Coal Production	606.89	602.14	640-650
Offtake	608.14	581.93	NA



than 606.89 mt of coal it had produced last fiscal.

However, company insiders believe that CIL would be able to register a growth in production on a year-on-year basis in 2020-21.

"We will definitely be doing better than what the market expects. Even if we grow by 5-7 per cent, which is our normal growth rate, then our production would be close to 640-650 mt in FY21," a senior marketing executive told *BusinessLine* on conditions of anonymity.

According to Jayanta Roy, Senior Vice-President and group head, corporate sector

ratings, ICRA, the expectation of a revival in the economy could lead to higher demand for coal thereby leading to a spurt in production moving forward. "Power consumption is improving and given the expectation that the revival in economy would lead to a higher demand, coal production is likely to grow. However, if there is a second wave of the pandemic post the festival season, it could throw the plan out of place," he said.

Focus on OB removal

Following the dampening of demand, CIL directed its at-

tention towards overburden removal (the process of removing the top soil and rock to expose coal seams in its open cast mines) in order to be prepared to ramp up production as and when the demand revives.

"When the lockdown was announced in March, the physical movement of trucks and availability of manpower got affected. There was a liquidity crunch because goods which were manufactured were not being sold. This, in turn, impacted the demand from industry and there was drop in demand for energy from power generators. Since the demand for power was low we focused our attention on overburden removal on a large scale. We wanted to use the time and be prepared when demand recovers and give as much coal as the country demands," the official said.

During the first half of this

fiscal, CIL posted over 22 per cent growth in overburden (OB) removal and nearly 71 per cent growth in September alone.

"From now on, ramping up coal production would not be a problem especially with coal seams exposed, and ready for production," he said.

Offtake dips

Coal offtake till October 20 is, however, lower by around five per cent at 287.19 mt compared to the same date last year. "We are confident of removing the negative trend in coal offtake by November and grow from there on especially with thermal power plants and non-regulated sector customers showing keenness to lift increased quantities of coal. There is also a spike in the auction sales," he said.

Given the slowdown in demand from the power sector, CIL had started moving coal more towards the non-regulated sectors.

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Weak demand from power sector pushes up CIL's e-auction of coal

New Delhi: With weak demand from the power sector in the wake of Covid-19 disruptions, the country's largest coal producer Coal India Ltd shifted its attention to the non-power sector to see around six-fold increase in the sales of the dry fuel.

In the first half of the current fiscal (FY21), CIL's fuel allocation under the exclusive e-auction scheme for the non-power sector rose close to six times at 13.44 million tonnes as against a mere 2.31 million tonne during the same period of previous year.

Lockdown in various parts of the country and continuing sluggish economic conditions dried up demand for the dry fuel pushing CIL to explore new avenues for growth.

The government had earlier asked state-run power companies such as NTPC to reduce coal imports needed for blending purpose and look more at the domestic sources.

The CIL has also set up various washeries to supply good quality coal that could replace imports. **IANS**