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# CIL's import substitution ups bookings

TIMES NEWS NETWORK

**Kolkata:** Coal India's (CIL) drive for import substitution backed by a set of multiple measures facilitated coal consumers to opt for around 71 million tonne (MT) of indigenous coal ending February of the current FY.

Predominant among them was a robust 43.5 MT increase in e-auction bookings during April-February, 2021, compared to the year-ago period, a CIL official said.

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The slew of measures undertaken by CIL include allowing its coal companies to sign MoUs under import substitution with 17 power plants linked with them.

"Additional coal was offered to non-regulated sector (NRS) against fuel supply agreements up to 100% of annual contracted quantity (ACQ). Trigger level for the power sector was increased from 75% to 80%. ACQ for power plants was enhanced to 100% of normative requirement from 90%," an official added.

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# CIL's drive for coal import substitution gains tempo

PNS ■ RANCHI

Coal India's (CIL) drive for import substitution backed by a set of multiple measures facilitated coal consumers to opt for around 71 Million Tonnes (MTs) of indigenous coal ending February of the current FY.

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Trigger level for the power sector was increased from 75 per cent to 80 per cent. ACQ for power plants was enhanced to 100 per cent of normative requirement from 90 per cent. Additional coal was allocated to state and central generating companies under flexi utilization policy enabling them reduction in coal imports.

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sumers of the power sector, for supply of coal beyond the trigger level since the beginning of the fiscal.

This helped the consumers opting additional quantities of coal at lower cost from CIL.

Coal companies of CIL have been proactively conducting frequent interactions with the consumers sensitizing them to opt for the indigenous coal instead of coal sourced from abroad.

"These coordinated efforts of CIL, apart from 43.5 MTs of increased bookings in e-auction, helped arrest the imports by further 28 MTs" said a senior executive of the company. Had CIL not launched such measures the choice for consumers would have been to reach out for imported coal. Small consumers and traders who do not have long term contracts with CIL opt for e-auction sales with the other

alternative being import.

Power Sector consumers, among the many, who were provided coal under these measures were CESC Limited, Andhra Pradesh Power Development Corporation Limited, Adani Power Limited and GMR group. NRS consumers include Vedanta Limited, Jindal Steel & Power Limited, NALCO, Hindalco Industries Limited and Tata Steel BSL Limited.

Bookings under special forward auction, meant exclusively for power sector consumers, at 33 MTs during April-February '21 logged 27 per cent growth over last year's same period. The increase in real terms was 7 MTs against 26 MTs of last year.

Imports by domestic coal based power plants at 9 MTs declined by 55 per cent till January 21 compared to 20 MTs of the same period last FY.

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## **CIL ties up with 17 power plants to substitute imports**

**FE BUREAU**  
Kolkata, March 2

**COAL INDIA (CIL)** has tied up with 17 power plants to drive import substitution, besides other measures that have helped it to push 71 million tonne of additional coal to consumers ending February this fiscal. This would help ease pressure on the government's current account with dropping coal imports. All the 17 power plants have linkage existing with the miner.

India's coal imports dropped 29.7% to 48.84 MT in April-June this fiscal and as of February 28, CIL could push additional 71 MT with e-auction booking increasing by 43.5 MT during April-February this fiscal.

Besides inking pact with 17 power plants for taking indigenous coal replacing imported coal, the company offered additional coal to the non-regulated sectors against fuel supply agreements of up to 100% of annual contracted quantity (ACQ). Trigger level for power sector was increased from 75-80% and ACQ for power plants was enhanced to 100% of normative requirement from 90%. Additional coal was allocated to state and central generating companies under flexi utilisation policy, enabling them to reduce coal imports.

The firm waived performance incentive to the consumers of power sector, for supply of coal beyond the trigger level since the beginning of the fiscal. This helped the consumers opting additional quantities of coal at lower cost from CIL.

"These coordinated efforts besides 43.5 MT of increased bookings in e-auction, helped arrest the imports by further 28 MT," a senior executive said, adding if CIL had not taken such measures, the consumers would have imported the same amount of coal.