

GOVERNMENT OF INDIA  
MINISTRY OF COAL  
LOK SABHA  
UNSTARRED QUESTION No.2681  
TO BE ANSWERED ON 10.03.2021

Demand of Coal

2681. SHRI S. JAGATHRAKSHAKAN:

Will the Minister of COAL be pleased to state:

(a) whether the demand for domestic coal was subdued in the second quarter of the current financial year due to lower demand from end-user industries amid the Covid-19 pandemic along with high inventory at power stations; and

(b) if so, the steps taken/being taken by the Government in this regard?

**Answer**

**MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES**  
**(SHRI PRALHAD JOSHI)**

(a): The outbreak of pandemic COVID-19 and imposition of subsequent lockdown resulted in subdued demand by power and non-power sector which adversely affected coal dispatch during the first quarter. The all India dispatch of coal during 1<sup>st</sup> quarter i.e. April-June of 2020-21 was 143.98 MT as compared to 185.11 MT with a negative growth of 22.2%.

However, during the second quarter of the current financial year i.e. July – September, 2020, all India domestic supply (offtake) increased by 5.4% compared to the corresponding period of the previous year which indicates an increase in demand during this period.

(b): In the light of nation-wide lock-down and restrictions imposed by Central/State Governments in the wake of Covid'19 pandemic, the following strategies have been adopted by CIL in the current fiscal to generate demand in power as well as non- power sectors and for improving its dispatch and liquidating the stock further:

- To help improve Plant Load Factor (PLF) of power plants, minimum assured level of supply under Fuel Supply Agreements(FSAs) increased from 75% to 80% of Annual Contracted Quantity (ACQ).
- To reduce financial stress, levy of Performance Incentive for Power Sector under FSAs waived off 2020-21. Now, the same dispensation has been extended from October'20 to entire fiscal year 2020-21.

- To address liquidity crunch, Usance LC facility has been introduced for Power and Non-Power Sector consumers.
- Flexibility given to consumers for change of mode from Road to Rail and Rail to Road.
- Quantity up to 120% of ACQ has been offered in the current FY 2020-21 to all power utilities (except power plants having linkage under auction in terms of SHAKTI Policy).
- As recommended by Standing Linkage Committee (Long-Term) coal companies have been directed to enhance the ACQ for the hinterland power plants
- In order to meet the coal requirements of the coal importers through domestic coal, CIL has launched a new special spot e-auction scheme exclusively for the coal importers. As of April- February'21 such auctions were held in all the coal companies of CIL where against the offer of 327.50 LTe about 75.29 Lte was booked with around 18% percent increase over notified price.

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