

CIL sees sale via e-auction dipping this fiscal

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Coal India Ltd. is expecting volume sales through the e-auction platform to be lower at around 80 million tonne (mt) in the current financial year. Volume growth is expected to be lower this year due to high demand from the power sector.

The public sector miner had allocated close to 108 mt of coal under various e-auction windows during 2021-22, gaining an add-on of around 88 per cent over the notified price, the company said in its latest annual report (2021-22). Nearly 50 per cent of the allocated quantity usually gets sold during a particular year, while some gets carried over to the next financial year.

HIGHER REALISATIONS
However, the realisations from e-auction sales are ex-



Promod Agrawal, Chairman and MD, Coal India

pected to be far higher in the current financial year as the average premium is expected to be around 300 per cent over the notified price, backed by higher demand and a surge in international coal prices.

According to Pramod Agrawal, Chairman and Managing Director of CIL, the company has sold close to 30 mt of coal through the e-auction platform during the first and second quarter of this fiscal. It expects to sell close to 50 mt during the third and fourth quarter put together.

CIL sold close to 10.36 mt via e-auction during the second quarter of the current fiscal. The average realisation through e-auction route was close to ₹6,062 a tonne during the quarter ended September 30, 2022. Sequentially, the average realisation was up nearly 40 per cent from around ₹4,340 a tonne in Q1.

“In Q1 and Q2, the e-auction volume was close to 30 mt, as we had to take care of the demand from power sector. Our production is up and we expect to sell close to 50 mt via e-auction during the third and fourth quarters,” Agrawal told newsmen on the sidelines of the Global Mining Summit (GMS) and International Mining Machinery Exhibition (IMME) organised by CII in partnership with Ministry of Mines and Coal here, on Wednesday.

It is to be noted that a higher sale through auction route would mean bigger

profits to the company as the average price realisation on e-auction is usually better than sales through FSA route.

NEED OF THE HOUR

Speaking at the inaugural session of the global mining summit, Agrawal said there was a need to focus on mechanisation and digitalisation to boost productivity and ensure sustainability. The mining industry, for instance, uses machinery which are archived, and that needs to change, he said.

According to him, production will not be a problem but evacuation will be a challenge. Hence, CIL has been focusing on ramping up evacuation infrastructure by investing in first mile connectivity and mechanised evacuation.

“We have aggressively adopted digitalisation. Having online real-time data can improve productivity by 20-30 per cent,” he said.