

1

THE YEAR 2009-10 AT A GLANCE

1. INTRODUCTION

1.1 The Ministry of Coal (MOC) is headed by Shri Sriprakash Jaiswal Minister of State (Independent Charge).



Shri Sriprakash Jaiswal taking over the charge of the office of Minister of State (Independent Charge) in the Ministry of Coal, in New Delhi on May 29, 2009.

1.2 The Ministry of Coal has the overall responsibility of determining policies and strategies in respect of exploration and development of coal and lignite reserves, sanctioning of important projects of high value and for deciding all related issues. These key functions are exercised through its Central Government public sector undertakings, namely, Coal India Limited (CIL) and Neyveli Lignite Corporation (NLC) Limited and Singareni Collieries Company Limited (SCCL), a joint sector undertaking of Government of Andhra Pradesh and Government of India with equity capital in the ratio of 51:49.

1.3 COAL RESERVES IN INDIA

The coal reserves of India up to the depth of 1200 meters have been estimated by the Geological Survey of India at 267.21 billion tonnes as on 1.4.2009, Coal deposits are chiefly located in Jharkhand, Orissa, Chhattisgarh, West Bengal, Madhya Pradesh, Andhra Pradesh and Maharashtra.

1.4 The Lignite reserves in the country have been estimated at around 39.07 billion tonnes as on 31.03.2009. The major deposits of Lignite reserves have been transpired in the state of Tamilnadu. Other states where lignite deposits have been located are Rajasthan, Gujarat, Kerala, Jammu and Kashmir and Union Territory of Pondicherry.

2. COAL PRODUCTION

The Coal production in all over India during the period April 2009 to January, 2010 has been 416.47 Million tonnes (Provisional) as compared to the production of 385.02 Million tonnes (MT) during the corresponding period of the previous year showing a growth of 8.17 %. Company-wise details for coal production from CIL/SCCL/Others are given below:-

(Fig. in Million Tonnes)

Company	2009-10 Target	Actual upto Jan.2010	Achievement (%)	Jan'07-March' 08	% Growth
CIL	437.40	338.42	77.37	316.44	6.95
SCCL	45.00	41.03	91.17	36.75	11.65
Others	52.83	37.02	70.07	31.83	16.30
Total	535.23	416.47	78.16	385.02	8.17

3. DEMAND AND SUPPLY

During the period April - December, 2009, coal dispatches from CIL was 301.12 Million Tonnes (Provisional), as against the target of 313.51 Million Tonnes, registering 4% growth over the corresponding period of previous year. Similarly, during April - December, 2009, coal dispatches from

SCCL was 35.74 Million Tonnes as against the target 32.86 Million Tonnes registering growth of 10.2%. Overall coal dispatches was 368.92 Million Tonnes against the target of 381.13 Million Tonnes, registering a growth of 5.4% over the same period last year. Company-wise dispatch details are given below:

(in Million Tonnes)

Company	April, 2009 - December, 2009			April, 2008- Dec. 2008	% growth
	Target	Actual	Achv %	Actual	
CIL	313.51	301.12	96.0	289.59	4.0
SCCL	32.86	35.74	108.7	32.42	10.2
Others	34.75	32.06	92.2	27.84	15.1
All India	381.12	368.92	96.8	349.85	5.4

Sector wise Dispatch (Provisional)

(in Million Tonnes)

Sector	Apr 09-Dec 09	Apr 08-Dec 08	% growth
Power (Utility)*	217.71	215.35	1.10
Power (Captive)	23.78	18.49	28.61
Power (Utility & CPPs)	241.49	233.84	3.27
Steel **	6.14	6.74	-8.86
Cement	4.77	4.93	-3.23
Fertilizer	1.83	1.64	12.07
Others	46.89	42.44	10.49
CIL	301.12	289.59	3.98

* includes coking and non-coking coal feed to washery and Bina Deshaling Plant for beneficiation

** includes coking coal feed to washeries, direct feed, blendable to steel plants, coke ovens, private cokeries and NLW coal to cokeries

4. LIGNITE PRODUCTION

Neyveli Lignite Corporation (NLC) is an integrated mining cum power project with open cast lignite mines linked with Thermal Power Stations. During the period April to December 2009 lignite

production and power generation achievements of Neyveli Lignite Corporation were 16.30 MT and 13064.17 MU respectively against the target of 15.17 MT and 11876.00 MU. Details are furnished below:-

Product	Target for 2009-10	Achievement April to December 09	Projected Jan. 10 to March 2010	Actual 2008-09
Lignite MT	21.75	16.30	6.20	21.31
Power Generation MU	16600.00	13064.17	4400.00	15767.98

5. ALLOCATION OF COAL BLOCKS

Till 31st December, 2009, Ministry of Coal has allocated 213 coal blocks with Geological Reserves of coal of 49.07 billion tonnes to eligible companies. Out of 213 blocks, 7 blocks were de-allocated and

mining lease in case of one block was declared void. Out of the 7 de-allocated blocks, two blocks have been re-allocated. Thus effectively coal blocks allocated are 208. Sector-wise allocation of coal blocks is as below:-

Sector / End Use	No of blocks	Geological Reserves (MT)
A. Public Sector Undertakings		
I Power	53	18571.11
(a) Captive Dispensation	31	7896.07
(b) Govt. dispensation	22	10774.93
II Commercial Mining	39	7324.58
III Iron and Steel	3	1492.30
Total (I + II+ III)	95	27387.99
B. Private Companies		
(a) Power	31	5385.00
(b) Iron and Steel	61.16	8902.77
(c) Small and Isolated	2	9.34
(d) Cement	7.84	670.09
(e) Ultra Mega Power Project	9	3720.91
(f) Coal-to-Liquid Project	2	3000.00
Sub-total	113	21688.11
Grant total	208	49073.10

During the year 2009-2010 (Upto 31st December, 2009), 13 coal blocks with total geological reserves of 3591.32 MT were allocated to eligible public and private sector companies. Out of these, 06 coal blocks with geological reserves of about 1674.60 million tonnes of coal were allocated for generation of power.

6. GUIDELINE FOR DETAILED EXPLORATION OF CAPTIVE COAL AND LIGNITE BLOCKS

All regionally explored/unexplored coal blocks already allotted or to be allotted can be taken for detailed exploration by the allottees on their own as per these guidelines. The block allottees are required to inform and submit to CMPDI the detailed exploration programme with time schedules before starting the exploration activities. All the statutory licenses and clearances like prospecting license, forest clearance etc should be obtained by the allottee, as per existing laws & statutes before initiating exploration activities in respective areas. Other aspects for detailed exploration namely exploration coverage, borehole spacing/density, drilling, survey/study & analysis, exploration supervision, submission of Geological reports etc. are all covered in these guidelines. The detailed guidelines are available in the web site of this Ministry at (<http://coal.nic.in/letters.htm>)

7. COAL AND LIGNITE PROJECTS

During the period from 01.04.2009 to 31.12.2009 1 project and 3 RCEs have been sanctioned by Government. The details are furnished as under:-

(i) Project

- Rajmahal Expansion Project of ECL with sanctioned capacity of 17.00 (6.50 Incr) MTY with capital sanctioned of Rs. 153.82 crores.

(ii) Revised Cost Estimates (RCEs)

- Adriyala Shaft Project of SCCL with sanctioned capacity of 2.81 MTPA, with capital cost of Rs.846.06 Crores.
- Barsingsar Lignite Project (Rajasthan) of NLC with sanctioned capacity of 2.10 MTPA, and capital cost of Rs. 254.60 Crores.
- Barsingsar Thermal Power Station (Rajasthan) of NLC with sanctioned capacity of 250 MW and capital cost of Rs. 1626 Crores.

8. LONG-TERM COAL LINKAGE

During April - December, 2009, no meeting of Standing Linkage Committee (LT) was held. However, based on the authorisation issued by the SLC(LT) in its meeting held earlier, CIL/SCCL issued 86 Letter of Assurances to power utilities (8 LOAs), captive power plants (57 LOAs) and Independent Power Producers (21 LOAs), with a proposed capacity of 18419 MW, after receipt of appropriate Commitment Guarantees.

9. a) NAVRATNA STATUS TO NLC

A proposal for grant of Navratna status to NLC has been submitted to the Department of Public Enterprises for their consideration.

b) MINIRATNA STATUS TO CMPDIL

The Government has granted Miniratna Status (category-II) to Central Mine Planning & Design Institute Limited (CMPDIL), Ranchi in May, 2009. This implies greater autonomy and enhanced financial powers to the company.

10. PROPOSAL FOR INTRODUCTION OF SYSTEM OF AUCTION BY COMPETITIVE BIDDING FOR ALLOCATION OF COAL BLOCKS

The number of applicants for each captive coal block is increasing as the demand for coal keeps increasing and selection of one application out of number of eligible applicants is becoming difficult. Therefore, there is a need for evolving an objective and transparent system for allocation of coal blocks. The Government have moved an amendment in Mines and Minerals (Development & Regulation) Act, 1957 in order to introduce auction through competitive bidding as a selection process for allocation of coal blocks for captive mining for specified uses.

The proposal for auction of coal blocks through competitive bidding by amending

the Mines and Minerals (Development & Regulation) Act, 1957 was introduced in the Rajya Sabha during November, 2008 which has further been referred to the Standing Committee on Coal & Steel for detailed examination. Oral evidence was given before the Standing Committee on 17/02/2009. The Standing Committee tabled its report to the Parliament on 19.02.2009 with the recommendation to have further consultations with the State Governments and stakeholders. Consequent to this, a meeting was taken on 10.08.2009 by the Minister of State for Coal (I/C) with the coal/lignite bearing States/UTs. Most of the State Govts. have supported the proposal. Based on the outcome of the meeting, a draft Cabinet Note has been sent to the Ministry of Mines for placing it before the Cabinet, seeking approval for passage of the said Bill in the Parliament.

11. REGULATOR FOR COAL SECTOR

The draft Cabinet Note on setting up of a Coal Regulatory Authority along with the Draft Bill, was circulated to various Ministries/Department for their comments. The comments of all the Ministries/Departments have been received and are under examination. Meanwhile, Ministry of Law has suggested several major modifications in the Draft Bill. The draft Bill is now

finalized with the consultation of Ministry of Law and being circulated again for inter-ministerial consultations.

12. COAL WAGE AGREEMENT

The Government of India setup a Joint Bipartite Committee for Coal Industry (JBCCI) consisting of 5 Central Trade Unions and the Management of Coal Companies in 1983 to review the wage structure of workmen in coal industry. Since then eight wage negotiations have been concluded. JBCCI VIII was constituted by Coal India Limited on 18.5.2007. Under JBCCI-VIII, National Coal Wage Agreement -VIII was finalized on 24th January, 2009, periodicity of which is for 5 years i.e. from 01.07.2006 to 30.06.2011. Payment of revised wages/salary as per NCWA-VIII to the non-executive employees of CIL & its Subsidiary Companies covered under NCWA has been started from the salary of April, 2009.

13. STANDING COMMITTEE ON SAFETY IN COAL MINES

There is Standing Committee on Safety in Coal Mines under the Chairmanship of Minister-In-Charge of Ministry of Coal with representatives from Ministry of Labour & Employment, Directorate General of Mines Safety (DGMS), Dhanbad, CMDs of Coal India Limited and its subsidiaries,

SCCL, NLC, IISCO, DVC, different State Public Sector Companies, Coal companies in private sector and Central Trade Unions Leaders as members of this Committee. The Committee examines in depth all aspects of safety in coal mines and takes stock of safety situation in coal mines for bringing out further improvement. The Committee meets periodically and so far 32 meetings of the Committee have already been held.

33rd meeting of Standing Committee on Safety has been fixed for 26.3.2010.

14. GUIDELINES FOR ALLOCATION OF BLOCKS FOR UNDERGROUND COAL GASIFICATION AND CARRYING OUT UCG OPERATIONS

Guidelines for carrying out commercial exploitation of UCG has been issued by the Ministry of Coal on 13.07.2009. The salient features of the Guidelines are as under:-

- Guidelines for allocation of captive blocks for underground coal gasification (UCG) & conditions of allotment.
- Guidelines carrying out for UCG operations:-
Guidelines for allocation of captive blocks include selection of block, eligibility criteria, submission of application for allocation of block, exploration of the block, UCG operation by allottee companies and conditions for allotment.

Guidelines for carrying out UCG operations include filling of application, submission of Plan to carry out UCG operation, implementation of approved Plan, payment of Royalty, Safety and Conservation aspects.

The Coal/Lignite blocks for UCG will be identified where conventional mining methods are not economically viable. Blocks already identified for development by CIL/ SCCL/ NLC should not be offered to others. The applicant company should have minimum net-worth of Rs. 200 crore. The Ministry of Coal will invite, through advertisement/ public notice, applications for allocation of identified coal blocks for UCG projects from interested parties. In respect of fully explored blocks, geological data may be obtained from CMPDIL, NLC or the State agency concerned, as the case may be, on nominal charges. Where only regionally explored blocks are offered for allocation, the detailed exploration/prospecting in the said blocks shall be done by the allocatee company in conformity with the guidelines prescribed by the Ministry of Coal.

15. GUIDELINES FOR MINE CLOSURE

With a view to restore mined out areas to the primary level to the extent possible, it has been decided to make it mandatory to prepare mine closure plans for which Ministry of coal has issued guidelines for adoption by coal mine owners. This would help in addressing environmental issues related to coal mining. These guidelines are available on the website of this Ministry.

16. RESULT FRAMEWORK DOCUMENT

The Government of India has initiated action for implementation of a system for monitoring and evaluating the performance of Government Departments and Ministries. The Ministry of Coal had submitted Action Plan to make the strategic Plan for the five years and the Result Framework Document for the last quarter of 2009-10 and for the year 2010-11 within the stipulated time frame prescribed by the Cabinet Secretariat.