

## THE YEAR 2012-13 AT A GLANCE

### 1 INTRODUCTION

1.1 The Ministry of Coal was under the charge of Shri Sriprakash Jaiswal Minister of Coal and Shri Pratik Prakashbapu Patil, Minister of State in the Ministry of Coal.

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 public sector undertakings, namely Coal India Limited (CIL) and Neyveli Lignite Corporation Limited (NLC) 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 293.497

billion tonnes as on 01.04.2012. Coal deposits are chiefly located in Jharkhand, Odisha, Chhattisgarh, West Bengal, Madhya Pradesh, Andhra Pradesh and Maharashtra.

1.4 The Lignite reserve in the country has been estimated at around 41.96 billion tonnes as on 01.04.2012. The major deposits of Lignite reserves are located in the State of Tamilnadu. Other states where lignite deposits have been located are Rajasthan, Gujrat, Kerala, Jammu & Kashmir and Union Territory of Puducherry.

### 2. COAL PRODUCTION

The Coal production all over India during the period April 2012 to December, 2012 has been 384.19 Million tones (Provisional) as compared to the production of 364.12 million tonnes (MT) during the corresponding period of the previous year showing a growth of 5.5%. Company-wise details for coal production from CIL/ SCCL/Others are given below:-

(In million Tonnes)

| Company | 2012-13 Target | Actual upto Dec.2012 | Achievement (%) | 2011-12 Actual upto Dec.2011 | Growth (%) |
|---------|----------------|----------------------|-----------------|------------------------------|------------|
| CIL     | 464.10         | 308.89               | 66.60           | 291.24                       | 6.06       |
| SCCL    | 54.00          | 37.18                | 68.90           | 35.26                        | 5.45       |
| Others* | 57.20          | 38.12                | 66.60           | 37.62                        | 1.33       |
| Total   | 575.30         | 384.19               | 66.80           | 364.12                       | 5.51       |

\* Excluding Meghalaya.

## 3. COAL DISPATCH

During the period Apr'2012-Dec' 2012 Raw Coal dispatch from CIL was 334.64 million tonnes (Provisional) against 310.48 million tonnes during the same period last year, registering a growth of

7.8 % over corresponding period of previous year.

SCCL has dispatched 38.47 MT of coal (April 2012 – December 2012) against 36.06 MT during the same period of previous year.

## Company wise Raw Coal Dispatch

(in Million Tonnes)

| Company | Apr'2012 - Dec'2012 |        |               | Apr'11-Dec'11 | % growth |
|---------|---------------------|--------|---------------|---------------|----------|
|         | Target              | Actual | % achievement |               |          |
| CIL     | 339.87              | 334.64 | 98.5          | 310.48        | 7.8      |
| SCCL    | 40.38               | 38.47  | 95.27         | 36.06         | 6.68     |

## Sector wise Raw Coal Dispatch (Provisional)

(in Million tonnes)

| Sector             | Apr'12-<br>Dec'12 | Apr'11-<br>Dec'11 *** | % growth in Apr'12-Dec'12<br>over Apr'11 - Dec'11 |
|--------------------|-------------------|-----------------------|---|
| Steel *            | 6.68              | 6.25                  | 6.9%  |
| Power ( Utility)** | 246.40            | 222.17                | 10.9%   |
| Power( Captive)    | 25.04             | 24.07                 | 4.0%  |
| Cement             | 4.92              | 5.30                  | -7.2%   |
| Fertilizer         | 1.94              | 2.05                  | -5.4%   |
| Others             | 49.66             | 50.64                 | -1.9%   |
| CIL                | 334.64            | 310.48                | 7.8%  |

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

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

\*\*\* Updated firm figure

## Sector-wise Raw Coal Dispatch (Provisional)- SCCL

(in Million Tonnes)

| Sector                | April '12 to Dec.'12 | April '11 to Dec.'11 | Growth (%)  |
|-----------------------|----------------------|----------------------|-------------|
| Power (utility & CPP) | 30.13                | 27.63                | 9.05        |
| Steel (Sponge Iron)   | 0.48                 | 0.77                 | - 37.66     |
| Cement                | 4.30                 | 4.15                 | 3.61        |
| Fertilizer            | -                    | -                    | -           |
| Others                | 3.56                 | 3.51                 | 1.42        |
| <b>Total : SCCL</b>   | <b>38.47</b>         | <b>36.06</b>         | <b>6.68</b> |

**Coal Supply** : Actual Raw Coal Supply / Offtake during 2011-12, Supply Plan 2012-13 and Actual Coal supply during 2012-13 till Dec'2012 is given below:

( in Million tonnes)

| Source | 2010-11<br>Actual | 2011-12<br>( BE) | 2011-12<br>( Actual) | 2012-13<br>( BE) | 2012-2013<br>(BE) till Dec | 2012-13<br>(Actual)<br>till Dec 2012 |
|--------|-------------------|------------------|----------------------|------------------|----------------------------|--------------------------------------|
| CIL    | 424.3             | 452.00           | 433.08               | 470.00           | 340.28                     | 334.97                               |

During the year 2012-13 (April 2012 till December, 2012), SCCL supplied 38.47 MT against the target of 40.38 MT. SCCL had supplied 36.06 MT during the corresponding period of the previous year 2011-12.

#### 4. LIGNITE PRODUCTION

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

December 2012 lignite production and power generation achievements of Neyveli Lignite Corporation were 18.51MT and 14323.89 MU respectively against the target of 17.85MT and 13257 MU for that period.

Details of target for the year 2012-13, actual performance up to the end of December 2012 and provisional for the period January 2013 to March 2013 is furnished below:-

| Product             | Actual<br>2011-12 | Target for<br>2012-13 | Achievement<br>April to<br>Dec 2012 |
|---------------------|-------------------|-----------------------|-------------------------------------|
| Lignite MT          | 24.59             | 24.80                 | 18.51                               |
| Power Generation MU | 18789.44          | 18600.00              | 14323.89                            |

#### 5. ALLOCATION OF COAL BLOCKS

218 coal blocks with geological reserves of about 50 billion tonnes have been allocated to eligible public and private companies under the Coal Mines

(Nationalisation) Act, 1973. Sector-wise no. of coal blocks allocated to Government/Private and power projects allotted on tariff based competitive bidding/UMPP is given below:

| S. No | Sector            | To Govt. Companies | To Private Companies | To UMPPs/ Tariff based bidding | Total blocks |
|-------|-------------------|--------------------|----------------------|--------------------------------|--------------|
|       |                   | No. of Blocks      | No. of Blocks        | No. of Blocks                  |              |
| 1.    | Power             | 55                 | 28                   | 12                             | 95           |
| 2.    | Commercial Mining | 41*                | -                    | -                              | 41           |
| 3.    | Iron & Steel      | 4                  | 65                   | -                              | 69           |
| 4.    | Cement            | -                  | 8                    | -                              | 8            |
| 5.    | Small & Isolated  | -                  | 3                    | -                              | 3            |
| 6.    | CTL               | -                  | 2                    | -                              | 2            |
| Total |                   | 100                | 106                  | 12                             | 218          |

\*Vijay Central coal block allocated to Coal India Limited as leader and SKS Ispat & Power Ltd as associate. Hence taken in Govt category.

Out of the 218 allocated blocks, as on date, 47 coal blocks were de-allocated. Out of de-allocated coal blocks, two coal blocks were again allocated to eligible companies under the said Act and de-allocation letters in respect of three coal blocks to M/s National Thermal Power Corporation and two coal blocks to Damodar Valley Corporation and Jharkhand State Electricity Board were withdrawn. In view of above, the net allocated blocks are 178 with geological reserves of about 40 billion tonnes.

During the year 2012-2013 (Upto 31st December, 2012), no new coal block was allocated to any company.

#### 6. COAL AND LIGNITE PROJECTS

Projects sanctioned during the year 2012-13 till December 2012:

(i) **CIL:** CIL is a Maharatna Central Public Sector Undertaking (CPSU). During the period April-December, 2012, CIL has

approved two projects namely Sonepur Bazari Continued Seam OC of ECL for a capacity of 8 mtpa with a capital cost of ₹ 1055.05 crores; and Chinchala-Chikakgaon Amalgamated OC in WCL for a capacity of 3 mtpa with a capital cost of ₹ 1176.13 crores on cost plus basis.

(ii) **NLC:** NLC is a Navratna Central Public Sector Undertaking (CPSU). During the year 2012-13 no project was sanctioned.

(iii) **SCCL:** No projects of SCCL was sanctioned by the Government during the period from April, 2012 to December, 2012. During the same period, two new projects viz. (i) RG OC-II Extn. Phase-II and (ii) KK OCP were sanctioned by SCCL Board with capacity of 2.00 mtpa and 1.75 mtpa and capital of ₹ 365.01 crores & ₹ 417.33

crores respectively. One RFR viz., Manuguru OCP RFR was sanctioned by SCCL Board with capacity of 1.50 mtpa and capital of ₹ 430.14 crores during the above period.

## 7. ALLOCATION OF COAL BLOCKS THROUGH COMPETITIVE BIDDING

(a). The Mines and Minerals (Development and Regulation) Amendment Act, 2010 for introduction of competitive bidding system for allocation of coal blocks for captive use, has been notified in Gazette of India (Extraordinary) on 9th September, 2010. The Amendment Act seeks to provide for grant of reconnaissance permit, prospecting licence or mining lease in respect of an area containing coal and lignite through auction by competitive bidding, on such terms and conditions as may be prescribed. This, would however, not be applicable in the following cases:-

- where such area is considered for allocation to a Government company or corporation for mining or such other specified end use;
- where such area is considered for allocation to a company or corporation that has been

awarded a power project on the basis of competitive bids for tariff (including Ultra Mega Power Projects).

The 'Auction by Competitive Bidding of Coal Mines Rules 2012' were notified on 2.2.2012 and the commencement of Amendment was notified on 13.2.2012.

- (b). The Rules lay down the procedure for allotment of blocks under different dispensations i.e. through Auction to the Government Companies and to the companies selected through tariff based bidding in power sector. The Rules provide for notifying the floor price for the mines to be auctioned and fix a reserve price for the blocks to be allotted under other dispensations. The Rules also provide that the Government shall enter into an agreement with the allocatee company.
- (c). M/s CRISIL Infrastructure Advisory was appointed as consultant for:
- (i) Suggesting the Methodology for calculation of floor price/reserve price tag for the captive coal blocks;
  - (ii) Preparation of Model Tender Document for selection of successful coal block allocatee;
  - (iii) Preparation of model agreement between MoC and the successful coal block allocatee.



M/s CRISIL has submitted a draft report on which consultations are being held with various stakeholders including Planning Commission and Ministry of Finance.

- (d). The detailed terms and conditions for allocation of coal blocks to the Government companies have been finalized. The Auction by Competitive Bidding of Coal Mines (Amendment) Rules, 2012 were notified on 27/12/2012. Thereafter, the Ministry of Coal has issued a Notice Inviting Applications (NIA) on 31.12.2012 inviting application from the Central Government & State Government companies for allocation of 17 coal blocks. The applications received, are under evaluation.

#### 8. REGULATOR FOR COAL SECTOR

The proposal to set up a Coal Regulatory Authority was considered by the Cabinet in its meeting on 10.5.2012, wherein it was decided to refer the issue to a Group of Ministers (GOM) The matter is under consideration of the GOM.

#### 9. STANDING COMMITTEE ON SAFETY IN COAL MINES

A Standing Committee on Safety in Coal Mines under the Chairmanship of Minister In-charge of Coal with representatives from Ministry of

Labour (MOL&E), Director General of Mine Safety (DGMS), Dhanbad, Chairman, CIL and CMDs of CIL subsidiaries, SCCL, NLC, IISCO, DVC, different State Public Sector Companies, Private Sector Coal companies and Central Trade Unions Leaders as members is functional in the Ministry.

The committee examines all aspects of safety in coal mines and takes stock of safety situation for bringing out further improvement. It is the highest national level tripartite safety monitoring committee of India for coalmines. The Committee meets periodically and so far 36 meetings of the Committee have been held.

The 36th meeting of the Standing Committee on Safety in Coal Mines was held on 23.05.2012 at New Delhi. The Committee reviewed the Action Taken Report on the recommendations of earlier meeting and discussed the Action Plan to prevent recurrence of accidents and different safety related issues for improving the safety standard and occupational health services in coal mines.

The major recommendations were:

1. The Standing Committee recommended that security coverage of

explosive magazines should be strengthened further.

2. The Standing Committee recommended that adequate steps should be taken for improvement in occupational health services infrastructure for contractual workers in all coal producing companies.
3. The Standing Committee recommended that all necessary steps must be taken by coal companies to fill up the shortages in statutory manpower for providing adequate safety supervision.
4. The Standing Committee recommended that strata control cells established in different subsidiaries of CIL have to be strengthened further.
5. The Standing Committee recommended that expenditure on safety should be monitored regularly on priority for better utilization of allocated funds.
6. The Standing Committee recommended that issue related to invitation of all captive coal mine companies in the standing committee needs to be examined.

#### 10. 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.

#### 11. PERFORMANCE EVALUATION AND MONITORING SYSTEM (PEMS)

Action for implementation of the system for monitoring and evaluation of performance was initiated in the year 2009-10 in the Ministry of Coal under the aegis of Cabinet Secretariat. The performance of the Ministry was evaluated for the 2011-12, on the basis of the Results Framework Document (RFD) 2011-12. The Results Framework Document of the Ministry of Coal for 2012-13 was submitted to the Cabinet Secretariat with main objectives of achievement of annual action plan targets for coal production and coal off-take by CIL, lignite production and power generation by NLC, to ensure adequate supply of coal to the regulated power utilities, development and production from captive coal blocks, thrust on exploration of resources, increase in coal washing capacities,

improvement in safety conditions in mines, development of rail and road infrastructure in coalfield areas and other policy issues.

**14. CONSULTATIVE COMMITTEE**

Consultative Committee for the Ministry of Coal was constituted in 2008-09 under the Chairmanship of Minister of Coal consisting of 23

Members of Lok Sabha and 6 Members of Rajya Sabha. The Committee had 3 meetings during the period to discuss the issues related to Resettlement and Rehabilitation policy of Coal India Limited, Environmental and Forestry clearance in Coal Sector and enhancing Coal Production.