

THE YEAR 2011-12 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 in India up to the depth of 1200 meters have been estimated by the Geological Survey of India at 285.86

billion tonnes as on 1.4.2011. 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 40.91 billion tonnes as on 01.04.2011. 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 2011 to December, 2011 has been 363.79 Million tonnes (Provisional) as compared to the production of 373.58 million tonnes (MT) during the corresponding period of the previous year showing a growth of -2.6%. Company-wise details for coal production from CIL/SCCL/Others are given below:-

(in Million Tonnes)

Companyz	2011-12 Target	Actual upto Dec.2011	Achievement (%)	2010-11Actual upto Dec.2010	Growth (%)
CIL	447.00	291.24	65.15	299.45	-2.7
SCCL	51.00	35.26	69.13	36.33	-2.9
Others*	56.00	37.29	66.58	37.80	-1.3
Total	554.00	363.79	65.66	373.58	-2.6

* Excluding Meghalaya.

3. COAL DISPATCH

During the period April 2011 – December 2011 Coal dispatch from CIL was 310.17 million tonnes (Provisional) against 309.99 million tonnes during the same period last year, thus, registering a growth

of 0.6% over corresponding period of previous year.

During the period April 2011- December 2011, SCCL supplied 36.06 million tonnes against the target of 39.06 million tonnes

Company wise Dispatch

(in Million Tonnes)

Company	April 2011-December 2011			April 10-December 10	% growth
	Target	Actual	% achievement	Actual	
CIL	328.18	310.17	94.5	309.99	0.06
SCCL	39.06	36.06	92	36.16	-0.3

Sector wise Dispatch (Provisional)

(in Million Tonnes)

Sector	April 2011-December 2011	April 10 - December 2010 ***	% growth in April 2011-December-2011 over April 10-Dec10
Steel *	5.76	6.97	-17.4%
Power (Utility)**	221.77	221.20	0.3%
Power(Captive)#	27.58	28.48	-3.2%
Cement	5.34	5.21	2.5%
Fertilizer	8.77	9.40	-6.7%
Others	40.95	38.73	5.7%
CIL	310.17	309.99	0.1%

* includes coking coal feed to washeries, direct feed, blendable to steel plants,. Coke ovens private cookerries and NLW coal to cookerries.

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

*** updated firm figure

Includes dispatch to Fertilizer sector also.

SCCL has dispatched 36.06 MT of coal (April 2011 – December 2011) and is anticipating 14.94 MT of coal in the remaining period. (January 2012 to March 2012).

(in Million Tonnes)

Sector	April 11 to December 11	April 10 to December 10	Growth (%)	January 2012 to March 2012 (anticipated)
Power (utility & CPP)	27.52	26.13	5.3	11.75
Steel (Sponge Iron)	0.75	1.21	- 38.0	0.28
Cement	3.75	5.03	- 25.4	1.48
Fertilizer				
Others	4.04	3.79	6.6	1.43
Total	36.06	36.16	- 0.2	14.94

Coal Supply : Actual Coal supply/off take during 2010-11, supply plan 2011-12

and Actual Coal supply during 2011-12 till December 2011, is given below :

(in Million Tonnes)

Source	2009-10 Actual	2010-11 (BE)	2010-11 Actual	2011-12 (BE)	2011-12 (BE) till December	2011-12 (Actual) till December, 2011
CIL	415.88	460.50	424.50	452.00	328.63	310.40

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 2011 lignite production and power generation achievements of Neyveli Lignite Corpo-

ration were 17.49 MT and 13245.98 MU respectively against the target of 17.29 MT and 13358 MU.

Details of target for the year 2011-12, actual performance up to the end of December 2011 and provisional for the period January 2012 to March 2012 is furnished below :

Product	Actual 2010-11	Target for 2011-12	Achievement April to December 2011	Provisional January 12 to March 2012
Lignite (MT)	23.144	23.95	17.486	5.264
Power Generation (MU)	17881.08	18576.00	13245.98	3976.02

5. ALLOCATION OF COAL BLOCKS

So far 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. Out of that, 25 coal blocks have been de-allocated.

Out of de-allocated coal blocks, two coal blocks were re-allocated to eligible companies under the said Act. In view of above, the net allocated blocks are 195 coal blocks with geological reserves of about 44.23 billion tonnes. Sector-wise allocation is given below :

Sl. No.	Sector	To Govt. Companies		To Private Companies		To UMPPs/Tariff based bidding		Total blocks	GR (in MT)
		No. of Blocks	GR (in MT)	No. of Blocks	GR (in MT)	No. of Blocks	GR (in MT)		
1.	Power	42	14330.14	27	4974.20	12	4846.26	81	24150.60
2.	Commercial Mining	40*	7369.86	-	-	-	-	40	7369.86
3.	Iron & Steel	2	393.80	61	8670.55	-	-	63	9064.35
4.	Cement	-	-	6	628.74	-	-	6	628.74
5.	Small & Isolated	-	-	3	27.34	-	-	3	27.34
6.	CTL (Coal to liquid)	-	-	2	3000	-	-	2	3000
Total		84	22092.80	99	17300.83	12	4846.26	195	44239.89

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

During the year 2011-2012 (Upto 31st January, 2012), two coal blocks namely Rajgamar Dipside (Devanara) coal block with geological reserves of 78.46 million tonnes was allocated to M/s API Ispat & Powertech Pvt. Ltd. and M/s CG Sponge Manufacturers Consortium Pvt. Ltd. on 14.10.2011 and Vijay Central coal blocks with geological reserves of 56.75 million tonnes was allocated to M/s Coal India Ltd. and M/s SKS Ispat & Power Ltd. on 01.11.2011.

6. COAL AND LIGNITE PROJECTS

Projects sanctioned during the year 2011-12 till December 2011:

Government of India has sanctioned the Neyveli New TPS (1000 MW) at a capital cost of ₹ 5907.11 crore on 09th June 2011.

In SCCL, two new mining projects Kasispet-2 Incline & JVR OCP-II, RCE of Indram OCP and JK 5 OC RFR were sanctioned by SCCL Board with capacity of 0.47 MTPA, 4.0 MTPA, 1.2 MTPA & 2.0 MTPA and capital of ₹ 60.18 Crores ₹ 447.07 Crores ₹ 142,29 Crores and ₹ 124.18 Crores respectively

7. NAVRATNA STATUS TO NLC

Neyveli Lignite Corporation had been a Miniratna (Category-I) company since 30.8.2004. With the growth in lignite production and increased power generation, the financial growth of the company increased many folds during these years. Considering the same NLC has now been conferred with the Navratna status from 11.4.2011. As Navratna Company, NLC has been delegated with vast financial powers and greater autonomy in its functioning

8. MAHARATNA STATUS TO CIL

Coal India Limited had been a Navratna company since 24.10.2008. However,

considering its importance in country's economy and its achievements, CIL has been conferred with the Maharatna status from 11.4.2011. As Maharatna company, CIL has now been delegated with vast financial powers and greater autonomy in its functioning.

9. ALLOCATION OF COAL BLOCKS THROUGH COMPETITIVE BIDDING.

With the progressive allocation of coal blocks, the number of coal blocks available for allocation is declining, while the number of applicants per block is increasing, as the demand for coal keeps increasing. This has made selection of an applicant in respect of a block difficult and vulnerable to criticism on the ground of lack of transparency and objectivity.

While efforts are on hand to continuously add blocks to the captive list, it is also expected that the demand for blocks would remain far ahead of supply. Therefore, there is an urgent need to bring in a process of selection that is not only objective but also demonstrably transparent. Auctioning through competitive bidding is one such acceptable selection process.

With a view to bringing in more transparency, 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 passed by the both Houses of Parliament and it 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 Government has finalised Rules for allocation of blocks through the competitive bidding and same are notified on 2.2.2012. The commencement of the Amendment Act has been notified on 13.02.2012.

Coal Controller monitors the progress of allocated coal blocks and associated end use projects on quarterly basis. At the level of Ministry, periodic reviews are carried out by a Committee headed by Additional Secretary (Coal), where representatives from the concerned State Governments also attend. So far, production has commenced in 28 coal blocks (15 private and 13 public) and the production from these coal blocks for the year for the year 2011-12 (Upto November, 2011 Prov.) was 23.758 million tonnes as reported by the Coal Controller's Office. One review meeting was held 11th and 12th January, 2012 during the period. On receipt of recommendations of the Review Committee, appropriate action would be taken.

10. REGULATOR FOR COAL SECTOR

It is proposed to set up a Coal Regulatory Authority for which a Draft Bill has been finalized after consulting various Ministries/Departments. Draft Cabinet Note alongwith the Bill has been forwarding to the Cabinet for setting up of independent Regulator for Coal.

11. STANDING COMMITTEE ON SAFETY ON COAL MINES

There is a 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, Director General of Mine & Safety, 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 of this Committee.

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 in India for coal mines. The Committee meets periodically and so far 35 meetings of the Committee have been held.

The 35th meeting of the Standing Committee on Safety in Coal Mines was held on 23.9.2011. The Committee reviewed the Action Taken Report on the recommendations of earlier meetings and discussed the Action Taken Plan to prevent recurrence of accidents due to inundation, roof falls, explosion and other causes and different safety related issues for improving the safety and health conditions in coal mines. The Committee recommended the following:-

- Expedite procurement of mechanized roof bolting machine on priority.
- Improving quality of safety training in CIL by using SIMTARS, Australia trained executives.
- User of cement capsules are to be given necessary DGMS approval for manufacturing capsules at user end after standardizing components with periodical quality checking system.
- A committee to be constituted at each company to decide whether the

disputed accidents as mentioned by TU members is mining or non-mining and payment of compensation may be decided accordingly.

- (v) A proposal may be made by CIL for relaxing the upper age for employment for SC&ST which would be taken up with DPE by the MOC.
- (vi) Strata Control cell established so far has to be strengthened.

12. 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.

13. 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 2010-11 based on the Results Framework Docu-

ment The Results Framework Document of the Ministry of Coal for 2011-12 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. A sevottam compliant system to redress and monitor public grievances has been created in the Ministry of Coal including PSUs. Citizens' Charter of the Ministry of Coal has been re-drafted to make it sevottam compliant.

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 living conditions of workers and their family in coal mines of Coal India Limited specifically focusing on health and education aspects and pilferage/theft of coal