

## The Year 2010-11 at a Glance

### 1 Introduction

**1.1** The Ministry of Coal (MoC) was under the charge of Shri Sriprakash Jaiswal Minister of State (Independent Charge). With effect from 19th January, 2011, Shri Sriprakash Jaiswal assumed the charge of the Ministry as Cabinet Minister and Shri Pratik Prakashbapu Patil assumed the charge of the office of the 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 276.81 billion tonnes as on 1.4.2010. Coal deposits are chiefly located in Jharkhand, Orissa, Chhattisgarh, West Bengal, Madhya Pradesh, Andhra Pradesh and Maharashtra.

**1.4** The Lignite reserve in the country has been estimated at around 39.90 billion tonnes as on 31.3.2010. 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 Puduchery.

### 2. Coal Production

The Coal production all over India during the period April 2010 to December, 2010 has been 369.41 million tonnes (Provisional) as compared to the production of 365.66 million tonnes (MT) during the corresponding period of the previous year showing a growth of 1.02 %. Company-wise details for coal production from CIL/SCCL/Others are given below :-

( In Million Tonnes)

COMPANY	Target 2010-11	Actual upto Dec. 2010	Achievement (%)	2009-10 Actual upto Dec. 2009	Growth (%)
CIL	460.50	299.52	65.04	295.51	1.36
SCCL	46.00	36.33	78.98	36.55	-0.60
Others	65.87	33.56	50.94	33.60	-0.12
Total	572.37	369.41	64.54	365.66	1.02

### 3. Coal Dispatch

During the period April, 2010-Dec. 2010 Coal dispatch from CIL was 310.06 million tonnes (Provisional) against 301.09 million tonnes during the same period last year, registering a growth of 2.98% over corresponding period of previous year.

During the year 2010-11 (April, '10 – Feb.'11), SCCL supplied 44.952 MT of coal against the target of 42.672 MT, registering 0.58 % growth over the same period of previous year. SCCL is anticipating to dispatch 5.458 MT of coal in the remaining period (March 2011) of the current year.

#### Company wise Dispatch (in Million Tonnes)

Company	Apr10-Dec10			Apr09-Dec09	% growth
	AAP Target	Actual	% achievement	Actual	
CIL	338.42	310.06	91.6	301.09	2.98%
SCCL	42.672	44.952	105.3	44.692	0.58 %

#### Sector wise Dispatch (Provisional) (in Million Tonnes)

Sector	Apr10-Dec10	Apr09-Dec09	% growth
Power ( Utility )*	220.99	217.88	1.43
Power( Captive)	24.55	23.97	2.42
Power ( Utility & CPPs)	245.54	241.85	1.53
Steel **	5.79	5.77	0.35
Cement	5.32	4.74	12.24
Fertilizer	2.04	1.85	10.27
Others	51.37	46.88	19.93
Total-CIL	310.06	301.09	2.98

\* 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

**Coal Supply :** Actual coal supply/off take during 2009-10, supply plan 2010-11 and Actual

coal supply during 2010-11 till Dec. 2010, is given below:-

(in Million Tonnes)

Source	2008-09 Actual	2009-10 (BE)		2010-11 (BE)	2010-11 (BE) till Dec 2010	2010-11 (Actual) till Dec 2010
CIL	401.46	437.00	415.88	460.50	338.92	310.46
SCCL	44.53	44.38	49.37	46.00	34.86	36.16

#### 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 2010 lignite production and power generation achievements of Neyveli

Lignite Corporation were 16.415MT and 12730.51 MU respectively against the target of 17.573 MT and 13520 MU.

Details of target for the year 2010-11, actual performance up to the end of December 2010 and provisional for the period January 2011 to March 2011 is furnished below:-

Product	Actual 2009-10	Target for 2010-11	Achievement April to December 2010	Provisional January 2011 to March 2011
Lignite MT	22.34	24.14	16.41	5.48
Power Generation MU	17656.04	18758.00	12730.51	3955.49

#### 5. Allocation of Coal Blocks

As on 31.12.2010, 208 coal blocks with geological reserves of about 50 billion tonnes have been allocated

to the Govt./private companies. The Sector-wise details of coal blocks allocated to both Govt. sector and private sector is given at the table below:-

S. 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	53	18921.02	28	5010.38	12	4846.26	93	28777.66
2.	Commercial Mining	39	7312.86	-	-	-	-	39	7312.86
3.	Iron & Steel	4	1708.06	61	8602.55	-	-	65	10310.61
4.	Cement	-	-	6	628.74	-	-	6	628.74
5.	Small & Isolated	-	-	3	27.34	-	-	3	27.34
6.	Coal to Liquid	-	-	2	3000.00	-	-	2	3000.00
Total		96	27941.94	100	17269.01	12	4846.26	208	50057.21

During the year 2010-2011 (Upto 31st December, 2010), one coal block namely Bankhui with total geological reserves of 800 MT was allocated to

M/s Sakhi Gopal Intergrated Power Company Ltd. (SPV of first additional Orissa UMPP) for generation of power.

## 7. Coal and Lignite Projects

Approval of the Cabinet Committee on Infrastructure (CCI) for setting up of NLC's 2X500 MW lignite based "Neyveli New Thermal Power Project" at Neyveli at an estimated capital cost of Rs.5907.11 crores (October, 2010 Price Level) including an Advance Action Proposal (AAP) of Rs.17.85 crores, IDC of Rs.559.03 crores and FE component of Rs. 969.81 crores has been sought.

## 8. Long Term Coal Linkage

Prior to introduction of New Coal Distribution Policy (NCDP), two types of Linkage Committees used to function for deciding the long term and short term availability of coal and distribution to the consumers belonging to Cement, Power and Steel Sectors including sponge iron units .

- (i) Standing Linkage Committee  
(Short-Term) : SLC (ST)
- (ii) Standing Linkage Committee  
(Long-Term) : SLC (LT)

With the introduction of NCDP and FSA regime in replacement of linkage system, Standing Linkage Committee (Short-term) has been abolished in July, 2010.

## 9. (a) Navratna Status to NLC

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

## (b) Maharatna Status To CIL

A proposal for grant of Maharatna status to

Coal India Ltd. has been submitted to the Department of Public Enterprises for their consideration.

## 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. A need was felt for evolving an objective and transparent system of allocation of coal blocks. Accordingly, the Mines and Minerals (Development and Regulation) Act has been amended to provide for introduction of competitive bidding system for allocation of coal blocks for captive use. The amendment 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 is now examining the modalities for preparation of the guidelines/legal framework for conducting the competitive bidding of coal and lignite blocks.

## 11. Regulator for Coal Sector

A Cabinet Note on setting up of a Coal Regulatory Authority along with the Draft Bill has been circulated to various Ministries/Department for their comments. The comments from concerned Ministries/Department have now been received and the Draft Bill is being finalized. The Draft Bill would be placed before the competent authority for approval.

## 12. Listing of CIL

Coal India Limited was granted Navratna

status with effect from 24th October, 2008. At the time of awarding the Navratna status to CIL, the Government have put the condition that the listing of shares of CIL should be done in three years. The listing of CIL is expected to infuse better Corporate Management in the company and listing of CIL is expected to infuse better Corporate Management in the company and considering its performance, CIL standing in market will also improve, including improved valuation of the company. Accordingly, Government has disinvested 10% paid up equity in CIL and CIL is now a listed company and its shares are listed in Bombay Stock Exchange Limited and National Stock Exchange Limited.



Secretary (Coal), Special Secretary (Coal) and Chairman CIL at listing ceremony of Coal India Limited on 04.11.2010 at BSE

### 13. 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 Mines and 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 34 meetings of the Committee have been held.

The 34th meeting of the Standing Committee on Safety in Coal Mines was held on 23.12.2010. 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:-

- (i) Strengthening of DGMS by filling up the post of shortage of Inspectors to overcome the shortage.
- (ii) Expediting the process of Amendment

- of Coal Mines Regulations (CMR).
- (iii) Strengthening Safety Organization of CIL
- (iv) Taking steps for Better safety for Contractor's worker
- (v) Measures to be taken to prevent theft of explosives particularly in naxalite infested region.
- (vi) Inspection of private mines by a Sub-Committee comprising of representatives of trade Union, DGMS, CIL and Ministry of Coal.
- (vii) Risk Analysis & Safety Management Plan based on identified risks.
- (viii) Expediting filling up of Statutory posts in all coal companies.
- (ix) Preparation of action plan by coal companies to prevent recurrence of accidents from inundation, mine fire, explosion, roof falls, etc.
- (x) Implementation of recommendations of various Courts of inquiry on mine accidents.
- (xi) Proper and adequate utilization of safety budgets by coal companies.

### 14. Guidelines for Mine Closure

With a review 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.

## 15. Performance Evaluation and Monitoring System (PEMS)

Action for implementation of the system for monitoring and evaluation of the performance had been initiated last year in the Ministry of Coal under the aegis of Cabinet Secretariat. The performance of the Ministry was evaluated for the last quarter of 2009-2010 based on the Results Framework Document. The Results Framework Document of the Ministry of Coal for 2010-11 was submitted to the Cabinet Secretariat with main objectives of achievement of annual action plan targets for coal production and coal off-take by Coal India Limited, lignite production and power generation by Neyveli Lignite Corporation, 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 coal-field areas and other policy issues. The Results Framework Document for responsibility centers under the Ministry of Coal i.e. Coal Controller Organization and Coal Mines Provident Fund Organisation have also been prepared for implementation in 2011-12. 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. Strategy and strategic plan of the Ministry for next five years has been prepared after consultation with various stake holders in the coal sector.