

Coal

Current Scenario:

For three consecutive months of may, June and July, coal production could not meet its targeted level while Coal India along with its subsidiaries could achieve 98%, 95% and 97% of its target in these three months respectively. While production of coal declined steadily in these three consecutive months, the Y-o-Y growth rate remained encouraging with growth rate being 7.8%, 12.0% and 10.5% during the same period.

Coal Production of CIL (in million tones)

Month			% Achievement	% Growth compared to Previous year
	Target	Actual		
July 2015	36.04	34.83	97%	10.5%
June 2015	40.73	38.83	95%	12.0%
May 2015	41.73	40.98	98%	7.8%

Future Scenario:

After major overhaul in Indian coal sector with auctioning of mines and plan of Coal India to boost production, India is aiming to produce 700 million tones of coal in this fiscal year which would be biggest annual output growth. This goal seems achievable as coal production has increased from 556.4 MT in 2012-13 to 610.8 MT during 2014-15. India is the third biggest importer of the fuel but notably a coal shortage has affected power generation of just 2.7 billion kilowatt hours, the smallest loss in at least four years, thanks to increase in the coal production.

Policy News:

Monitoring Cell for Proper Augmentation of Coal

Ministry of Coal through Coal Project Monitoring Portal (CPMP) is now strictly monitoring the status of statutory clearances for exploration projects. Further the progress of exploration is being monitored by Ministry of Coal and Central Geological Programming Board (CGPB) Group-V on Energy Minerals and Resources about the progress of Regional Exploration/ Promotional Exploration.

Three million tones of coal made available for Medium and Small Scale Enterprises

As per the New Coal Distribution Policy (NCDP), 2007, the medium and small scale industries whose requirement is less than 4200 tonnes per annum are required to take

coal through State Agencies nominated by the respective State Governments. An aggregate of three million tonnes of coal is made available for this purpose. This quantity is allotted amongst various States/UTs depending on past trends. Coal India Limited (CIL) has not received any complaint of medium and small scale enterprises affected due to this arrangement.

Electronic Coal Projects Monitoring Portal to provide early clearance for Coal Blocks

Aiming faster clearance and augmentation in coal production, the Ministry of Coal has launched an e-portal for monitoring coal mines projects. The Vesting order and Allotment order issued to successful bidders and allottees respectively provides statutory approval of the mining plan, the mine closure plan and also prior approval of the Central Government to grant of mining lease.

Recommendations to rationalize funds by Inter-Ministerial Task Force (IMTF)

The Inter Ministerial Task Force in its Report suggested a three step approach which includes recommendations for rationalization of linkage sources for 19 Power Utilities (PUs) in Stage-I by swapping linkage coal between different coal companies to optimize distances and maximizing dispatches of coal. In stage II, the task force recommended rationalization of six swap sets of Public Utilities in the states of **Tamil Nadu, Gujarat, Maharashtra, Rajasthan, Punjab, UP and Haryana**. In Stage III, the IMTF has suggested a cluster-based approach to reduce overall cost of operation with consents from all participating states.