

STRICTLY RESTRICTED
FOR COMPANY USE ONLY

The information given in this report is not to be communicated either directly or indirectly to the press or to any person not holding an official position in the CIL / Government

**PROJECT REPORT
FOR
SAKHARI-IRAWATI (PAUNI-III) OC MINE
(BALLARPUR AREA)**

WESTERN COALFIELDS LTD.

(JOB No. 4021291)

**VOLUME-II
(TEXT, APPENDICES & ANNEXURES)**



MARCH- 2009

CMPDI

**REGIONAL INSTITUTE-IV, KASTRUBA NAGAR,
JARIPATKA, NAGPUR, PIN - 440 014**

AN ISO 9001:2000 COMPANY

T. NO.: C I /8656

Chapter - II

MARKETABILITY

2.1 DEMAND AND SUPPLY SCENARIO (COMPANY)

The following table shows the linked demand on WCL :-

Table-2.1

DEMAND ON WCL

Particulars	2008-09	2009-10	2010-11	2011-12	2016-17
Demand for coal in Mt	50.14	50.44	50.48	50.48	50.46

2.2.1 SECTOR WISE DEMAND

The following table shows the sector-wise demand for coking, non-coking coal, excluding middlings, on WCL:

Table-2.2

SECTOR-WISE DEMAND

(Fig. in Mt)

Sl. No.	SECTOR	YEAR				
		2008-09	2009-10	2010-11	2011-12	2016-17
1.	Power (Utilities)	37.519	37.516	37.498	37.498	37.491
2.	Power (Captive)	3.090	3.140	3.230	3.230	3.230
3.	Sponge Iron/ CDI	0.340	0.340	0.340	0.340	0.340
4.	BRK and others/LTC/SSF	5.918	5.921	5.889	5.889	5.876
5.	Cement	3.250	3.500	3.500	3.500	3.500
6.	Colliery consumption	0.023	0.023	0.023	0.023	0.023
	Total Demand *	50.140	50.440	50.480	50.480	50.460

*Source: Annual Plan for 2007-08 of WCL prepared by WCL Planning Department in September 2006.

2.2.2 AVAILABILITY OF COAL

The following table shows the availability of non-coking coal from the mines of WCL:

Table-2.3

AVAILABILITY OF NON-COKING COAL

(Fig. in Mt)

Sl. No.	Class of Mines	YEAR				
		2008-09	2009-10	2010-11	2011-12	2016-17
1.	Existing mines	0.899	0.870	0.780	0.540	0.480
2.	Completed projects	35.866	31.060	27.600	23.130	10.750
3.	On-going projects	5.020	9.510	12.750	14.680	15.490
4.	Total (Sanctioned projects)	41.785	41.440	41.130	38.350	26.720
5.	Future projects (subject to approval)	0.500	1.370	2.490	5.780	17.590
	Total Availability **	42.285	42.810	43.620#	44.130#	44.310#

**Source: Annual Plan for 2008-09 of WCL prepared by WCL Planning Department in December 2007.

includes production from future projects like Dhankasa U/G and Maori U/G

2.2.3 DEFICIT

Following table shows the deficit in availability of non-coking coal, excluding middlings from the various mines of WCL:

Table-2.4

DEFICIT IN AVAILABILITY OF NON-COKING COAL (Fig. in Mt)

Sl. No.	Parameter	YEAR				
		2008-09	2009-10	2010-11	2011-12	2016-17
1.	Demand for coal	50.140	50.440	50.480	50.480	50.460
2.	Availability of coal from sanctioned projects	41.785	41.440	41.130	38.350	26.720
3.	Surplus/Deficit (+/-)	(-)8.355	(-)9.000	(-)9.350	(-)12.130	(-)23.740
4.	Availability of coal from future projects	0.500	1.370	2.490	5.780	17.590
5.	Surplus/Deficit (+/-)	(-)7.855	(-)7.630	(-)6.86	(-)6.35	(-)6.15

2.2 UTILITY OR MARKET FOR THE COAL FROM MINE / PROJECT

The mines of WCL are under constant pressure to meet the increasing demand of non-coking coal for power houses and other bulk consumers from Western as well as Southern part of country. The proposed Sakhari-Irawati (Pauni III) OC project is located in Wardha Valley coalfields of WCL. The justification of this mine has been studied in the light of estimated demand for non-coking coal from power sector in Maharashtra and production forecast from existing, completed and ongoing projects of WCL.

2.3 AVAILABLE LINKAGE OR FIRM FUEL SUPPLY AGREEMENT (FSA)

Coal from proposed project would be supplied mainly to MAHAGENCO. Although in present scenario of power generation MAHAGENCO is in great need of coal, there is distinct possibility that normal demand would not materialise. However, no firm fuel supply agreement/ linkage is available for proposed mine.

2.4 JUSTIFICATION OF OPENING THE PROJECT BASED ON MARKETABILITY

Table No. 2.4 indicates that supply of coal from WCL mines is not even sufficient to meet linked demand in 2007-08. Moreover, the deficit of coal is likely to touch 6.55 Mt in 2011-12 even when future projects are approved.

Thus, there will be no problem in marketing of coal from the proposed Sakhari-Irawati (Pauni-III) OC Project in view of deficit in availability of coal from mines of WCL in near future. Socio-economic impacts of Pauni-III OC Project have been considered and remedial measures have been provided in the project report.

Area Revenue Officer
WCL, Ballarpur Area
क्षेत्रीय राजस्व अधिकारी
वेकोली, बल्लारपूर क्षेत्र

Area Planning Officer
WCL, Ballarpur Area
क्षेत्रीय योजना अधिकारी
वेकोली, बल्लारपूर क्षेत्र

27-12-17
क्षेत्रीय महा प्रबंधक
Area General Manager
बल्लारपूर क्षेत्र
Ballarpur Area