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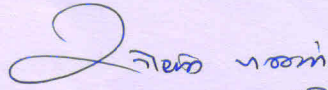
संदर्भ क्र: वेकोलि/पेंच क्षेत्र/क्षे.महाप्र/योजना/२०-२१/

दि: /01/2021

### प्रमाणित वजा

प्रमाणित किया जाता है कि, कोयला खनिज वर्तमान लीज क्षेत्र के राजस्व वनक्षेत्र में स्थित है, व कोयला यह एक ऐसा खनिज है जो भूगर्भ में एक विशिष्ट स्थान पर ही पाया जाता है एवं इसका अन्य जगह से उत्खानन नहीं किया जा सकता है। इसे निकालने हेतु खनन कार्य के अलावा अन्य कोई विकल्प उपलब्ध नहीं है।

वन क्षेत्र में उपलब्ध कोयला को भूमिगत खान से खुली खान पद्धति द्वारा निकाला जाना प्रस्तावित है। कोयले का खनन राष्ट्र की उर्जा संबंधी आवश्यकताओं को पूरा करने के लिए आवश्यक है। अतः खुली खान द्वारा कोयला निकालने हेतु वन क्षेत्र हेतु की गई मांग न्यूनतम है।

  
क्षेत्रीय महाप्रबंधक,  
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## Chapter - 2

## MARKETABILITY &amp; JUSTIFICATION

## 2.1 INTRODUCTION

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 project is located in Vishnupuri and part of adjacent Sirgora Geological Block of Pench Area in Chhindwara district of Madhya Pradesh. The justification of this mine has been studied in the light of estimated demand for non-coking coal from power sector and production forecast from existing, completed, ongoing and future projects of WCL.

## 2.2 DEMAND OF COAL

The year wise FSA/LOA commitment of WCL upto 2020-21 is detailed below :-

SL. NO.	PARTICULARS	FSA / LOA COMMITMENT AS ON 01.08.2017 (Mt)									
		Applicable Trigger Level	2017-18		2018-19		2019-20		2020-21		
			FSA Qty.	Qty. at Trigger Level	FSA Qty.	Qty. at Trigger Level	FSA Qty.	Qty. at Trigger Level	FSA Qty.	Qty. at Trigger Level	
A)	EXISTING COMMITMENTS THROUGH FSAs & MOUs										
1	Old Power Producers existing as on 31.03.2009 with whom FSAs have been signed	90 %	30.628	27.566	30.628	27.566	30.628	27.566	30.628	27.566	
2	Past Commitment of Non Power Sector except Cokeries with whom FSAs are signed prior to 31.12.2011 & Commitment of Bhilai Steel Plant from Nandan washery	60 %	4.998	2.999	4.998	2.999	4.998	2.999	4.998	2.999	
3	Past Commitment of Cokeries with whom FSAs are signed prior to 31.12.2011	30 %	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
4	New Non-power FSA executed	50 %	0.702	0.351	0.702	0.351	0.702	0.351	0.702	0.351	
5	Cost Plus FSAs with Wardha Power Co. Ltd.	90 %	1.625	1.463	1.625	1.463	1.625	1.463	1.625	1.463	
6	New Power FSA executed with MPPGCL on 02.01.2013, with NTPC on 04.09.2013, with VIPL on 10.03.2014 and Mahagenco (as per IMTF's recommendations) on 27.04.2015	75% for 16-17 onwards	9.271	6.953	9.271	6.953	9.271	6.953	9.271	6.953	



SL. NO.	PARTICULARS	FSA / LOA COMMITMENT AS ON 01.08.2017 (Mt)								
			2017-18		2018-19		2019-20		2020-21	
			FSA Qty.	Qty. at Trigger Level	FSA Qty.	Qty. at Trigger Level	FSA Qty.	Qty. at Trigger Level	FSA Qty.	Qty. at Trigger Level
7	Bridge Linkage with Mahagenco		8.678	8.678	3.623	3.623	0.000	0.000	0.000	0.000
8	GSECL MOU		4.200	4.200	0.000	0.000	0.000	0.000	0.000	0.000
9	NTPC one time supply of 2.0 Lakh tonnes for commissioning & trial run of Unit IV, Stage-II		0.200	0.200	0.000	0.000	0.000	0.000	0.000	0.000
10	TANGEDCO Commitment	90%	0.500	0.450	0.500	0.450	0.500	0.450	0.500	0.450
11	Linkage Auction Commitments Tranche-I	75 %	1.643	1.232	1.643	1.232	1.643	1.232	1.643	1.232
12	Linkage Auction Commitments Tranche-II	75 %	1.312	0.984	1.312	0.984	1.312	0.984	1.312	0.984
	<b>TOTAL (A) EXISTING COMMITMENTS THROUGH FSAs AND MOUs</b>		<b>63.757</b>	<b>55.075</b>	<b>54.302</b>	<b>45.620</b>	<b>50.679</b>	<b>41.997</b>	<b>50.679</b>	<b>41.997</b>
<b>B)</b>	<b>LOA COMMITMENT</b>									
1	Commitment of Power Plants achieved milestones and appearing in list circulated by MOC vide letter dated 17.07.2013	75% for 16-17 onwards	1.373	1.030	1.373	1.030	1.373	1.030	1.373	1.030
2	NTPC Telangana Cost Plus Tapering LOA for First year (2019-20) – 75%, Second year (2020-21) – 50%, Third year (2021-22) – 25%	90 %	0.000	0.000	5.688	5.119	5.688	5.119	4.266	3.839
3	Wardha Power Cost Plus	90 %	0.635	0.572	0.635	0.572	0.635	0.572	0.635	0.572
	<b>TOTAL (B) FSA TO BE EXECUTED</b>		<b>2.008</b>	<b>1.601</b>	<b>7.696</b>	<b>6.720</b>	<b>7.696</b>	<b>6.720</b>	<b>6.274</b>	<b>5.441</b>
<b>C)</b>	<b>OTHER LOA HOLDERS</b>									
1	Power Utility not achieved milestones and not appearing in MoC letter dated 17.7.2013 or achieved milestones but not appearing in Moc letter dated 17.7.2013	75% for 16-17 onwards	9.469	7.102	9.469	7.102	9.469	7.102	9.469	7.102
2	CPP LOA Holders	50 %	0.621	0.311	0.621	0.311	0.621	0.311	0.621	0.311
3	Sponge LOA Holders achieved minlestones	50 %	0.144	0.072	0.144	0.072	0.144	0.072	0.144	0.072
4	Cement LOA Holders not achieved milestones but BIFR Court directed not to take coercive action	50 %	0.042	0.021	0.042	0.021	0.042	0.021	0.042	0.021
	<b>TOTAL (C) OTHER LOA HOLDERS</b>		<b>10.276</b>	<b>7.505</b>	<b>10.276</b>	<b>7.505</b>	<b>10.276</b>	<b>7.505</b>	<b>10.276</b>	<b>7.505</b>
	<b>TOTAL FSA/LOA COMMITMENT (A+B+C)</b>		<b>76.041</b>	<b>64.181</b>	<b>72.274</b>	<b>59.845</b>	<b>68.651</b>	<b>56.222</b>	<b>67.229</b>	<b>54.943</b>
<b>D)</b>	<b>SPOT E-AUCTION</b>		<b>5.000</b>	<b>5.000</b>	<b>5.500</b>	<b>5.500</b>	<b>6.000</b>	<b>6.000</b>	<b>6.000</b>	<b>6.000</b>
<b>E)</b>	<b>OTHER AUCTIONS (Exclusive/Special Forward/ Special Spot etc.</b>		<b>4.845</b>	<b>4.845</b>	<b>5.000</b>	<b>5.000</b>	<b>5.500</b>	<b>5.500</b>	<b>5.500</b>	<b>5.500</b>
	<b>GRAND TOTAL (A+B+C+D+E)</b>		<b>85.886</b>	<b>74.026</b>	<b>82.774</b>	<b>70.346</b>	<b>80.151</b>	<b>67.723</b>	<b>78.729</b>	<b>66.443</b>



The above table indicates that WCL has a FSA/LOA commitment of 76.041 Mt, 72.274 Mt, 68.651 Mt and 67.229 Mt at 100% supply for the year 2017-18, 2018-19, 2019-20 & 2020-21 respectively. The FSA/LOA commitment at trigger level are 64.181 Mt, 59.845 Mt, 56.222 Mt and 54.943 Mt for the year 2017-18, 2018-19, 2019-20 and 2020-21 respectively. In addition to this, the coal supply through Spot Auction and Other Auctions (Exclusive/ Special Forward / special Spot etc.) is envisaged as 9.845 Mt, 10.50 Mt, 11.50 Mt and 11.50 Mt in 2017-18, 2018-19, 2019-20 and 2020-21 respectively.

### 2.3 Availability of Coal

CIL is planning for 1 Billion Tonnes Coal production by 2019-20 and the share of WCL is 60 Mt in this 1 BT planned production. The following table shows the availability of coal from the existing, completed, on-going and future mines of WCL:

Sl. No.	Sector	Projections of Availability of Coal (Mt)		
		2017-18	2018-19	2019-20
1	Existing mines	0.290	0.00	0.00
2	Completed projects	10.955	9.85	7.93
3	On-going projects	37.255	45.15	52.07
4	Future projects	0.00	0.00	0.00
	<b>Total</b>	<b>48.50</b>	<b>55.00</b>	<b>60.00</b>

### 2.4 Deficit in Availability of Coal from WCL

Following table shows the deficit in availability of coal, including middling, from the various Existing, Completed, On-going, and Future Projects of WCL:

Sl. No.	Sector	Projections of Surplus / Deficit of Coal (Mt)		
		2017-18	2018-19	2019-20
1	Total FSA/LOA Commitment + proposed E-Auction	85.886	82.774	80.151
2	Availability of coal	48.50	55.00	60.00
3	Surplus / Deficit (+/-)	(-) 37.386	(-) 27.774	(-) 20.151



From the above table, it is clear that the deficit in supply of coal from WCL is 37.386 Mt in 2017-18 which will be narrowed down to 20.151 Mt in 2019-20 if WCL achieves the target capacity of 60Mt in 2019-20.

## 2.5 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 justification of this mine has been studied in the light of estimated demand for non-coking coal from power sector and production forecast from existing, completed, ongoing and future projects of WCL.

The marketing of non-coking coal produced from proposed Vishnupuri UG to OC mine will not be a problem as there is a readily available market. There is huge demand of coal from power sector and the coal may be supplied to the power houses of MPPGCL / MSEDCL / NTPC or captive power houses. Also there are many miscellaneous industries which can utilize the coal produced from Vishnupuri UG to OC mine.

## 2.6 AVAILABLE LINKAGE OR FIRM FUEL SUPPLY AGREEMENT (FSA)

There is no firm linkage available for proposed Vishnupuri UG to OC mine to either power house or any miscellaneous industries.

## 2.7 JUSTIFICATION AND MARKETABILITY

From the tables given in para no. 2.2 to 2.4, it is clear that the deficit in supply of coal from WCL is 37.386 Mt in 2017-18 which will be narrowed down to 20.151 Mt in 2019-20 if WCL achieves the target capacity of 60 Mt in 2019-20. To further reduce the gap between demand and supply of coal, it is very essential to either open new mines or increase the production from existing mines of WCL. Thus proposed Vishnupuri UG to OC mine having target capacity of 2.00 Mty will help to reduce the gap between demand and supply of coal from WCL mines.

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