

## Introduction

Western Coalfields Limited (WCL) with headquarters at Nagpur (Maharashtra) is one of the eight subsidiary companies of Coal India Limited (CIL) operating coal mines in the states of Maharashtra and South West Madhya Pradesh.

A MINIRATNA public sector company, WCL has produced 44.70 Mill.Te during 2008-09 contributing about 11.1% of CIL's production which was 403.74 Mill.Te and 9.1% of National coal production. The Command Areas in WCL has reserves of 13087 Mill.Te against All India Coal Reserves of 267211 Mill.Te ( as on 1.4.09 ) which though is barely 5% of national coal reserves , plays a dominant role in meeting the coal requirement for thermal power generation and other industries in Western India.

WCL was incorporated as a separate Company on 29th October'1975 after reorganization of the nationalized coal industry under the central umbrella of Coal India Limited, the holding Company and a Coal major country. Earlier its jurisdiction was spread over the states of Maharashtra, Madhya Pradesh and Orissa in 130 mines. Keeping in view tremendous growth programme, Coal Companies under CIL were reorganized in 1986 and Coal mines of WCL in Orissa and Madhya Pradesh (except those in Chindwara and Betul districts) were transferred to newly born subsidiary South Eastern Coalfields Ltrd. (SECL). Thus operational jurisdiction of WCL remained in Maharashtra and part of Madhya Pradesh.

Presently, WCL has 84 Coal mines grouped into 10 operational areas, seven in Maharashtra viz., Nagpur, Umrer, Wani, Wani North, Majri, Chandrapur, Ballarpur and three in Madhya Pradesh viz., PENCH, Kanhan and Pathakahera.

Consolidating its strength year after year as a fully self-supporting and profit making public sector Coal company, WCL has acted as a catalytic agent of socio-economic change in and around the areas of its operation bringing development to the doorsteps of many remote and isolated pockets. As a responsible corporate citizen, it has created massive welfare infrastructure for its employees, besides contributing to preservation of ecology and environment and ameliorating the lot of deprived and downtrodden people living in and around its mining area.

WCL also meets the requirement of small and medium sector consumers through 4 state agencies of Maharashtra ,MP,Gujrat and Karnataka nominated by respective State Govts.The Consumers who can not source thier requirement through any other institution can procure coal from WCL through Spot-EAuctions , being held every month. Consumers, who wants to have an assured supply of coal over a longer period, Forward e-Auction Scheme has been envisaged which, in WCL is expected to take off from Q3 of the current fiscal, for which prospective consumers have been notified in advance. As per New Coal Distribution Policy (NCDP) about 10% of the estimated coal production is to be -auctioned.

Under the NCDP, CIL has been given onerous task for ensuring coal availability to all the needy consumers - existing one, expansion unit and green field products, WCL has issued Letter of Assurances (LoA) in favour of consumers accorded linkages by Standing Linkage Committee (Long Term). The requirement of such consumers will however be met as a blend of indigenous and imported coal in view of negative balance in WCL.

## Future Plan

The future plan of the company is to maintain its present level of production and increase it to 45 million tonnes by the terminal year of XI Plan through (i) opening new mines to make good the loss in the production of old mines due to exhaustion of property/reserves and (ii) improving efficiency of existing operations .

In addition to 23 ongoing projects (21 opencast and 2 underground) for ultimate production capacity of 16.13 Million Tonnes at a capital outlay of Rs.1031.69 crores, 32 projects (23 Opencast and 9 underground) for ultimate production capacity of 30.11 Million Tonnes at an anticipated capital outlay of Rs.2650.44 crores have been identified for XI Plan.

To pave way for opening of mines where stipulated Internal Rate of Return (IRR) is not forthcoming, WCL is exploring the possibility of entering into Cost Plus Agreement with consumers for future projects. The Company has already entered into such agreements with MAHAGENCO for six projects viz., Gouri Deep OC, Adasa UG, Kolgaon OC, Durgapur Extn.(Deep) OC, Waghoda UG and Bhatadi OC Expn. Five more projects viz. Junad deep OC, Dhikalgaon OC, Chinchala OC, Dhuptala (Sasti) UG to OC and Mataghat have also been offered for cost plus agreement to MAHAGENCO.

## LANDMARKS

- ♦ 1971/73 : Coal Mines in India nationalized.
- ♦ 1973 : Coal Mines Authority Ltd. (CMAL) formed with three divisions viz., Eastern, Western and Central.
- ♦ 1975 : Holding Company Coal India Ltd. (CIL) formed with six subsidiaries. Western Division becomes Western Coalfields Limited (WCL) with operational jurisdiction spread over in the States of Maharashtra, Madhya Pradesh and Orissa.
- ♦ 1986 : Coal Companies under CIL reorganized. Coal Mines under WCL in Madhya Pradesh (except those in Chhindwara and Betul Districts) and Orissa transferred to newly-born Subsidiary South Eastern Coalfields Ltd. (SECL). Operational jurisdiction of WCL remained only in Maharashtra and part of Madhya Pradesh.
- ♦ 2007 : WCL increases coal production to the level of over 43.51 million tonnes (2007-08) from 21 million tonnes in 1985-86, and forges ahead as a fully self-supporting, highly profit making Company and a catalytic agent of socio-economic transformation.
- ♦ 2007 : WCL becomes Mini Ratna Govt. of India Company.
- ♦ 2008 : WCL achieves highest ever coal production, despatches and turnover in its history.