

CHAPTER XIII

DEVELOPMENT ACTIVITIES IN NORTH EAST

DEVELOPMENTAL ACTIVITIES IN NEC

13.1 Introduction

In the North Eastern Region, there are coalfields in the states of Assam, Arunachal Pradesh, Meghalaya and Nagaland. However, CIL has its mining activities mainly in Makum coalfield of Assam. Five mines are now in operation in North Eastern Coalfields (NEC), out of which three are underground and two are opencast. Production in NEC has gradually depleted from 6.87 lakh Tonnes in 1997-98 to 6.40 lakh Tonnes in 2001-02. It is mainly due to loss of market share and difficult mining conditions.

Market Scenario – Past & Present

NEC has gradually lost market over last 20 years.

Reasons for loss of market are mainly on account of Railways who stopped taking coal as they switched over to diesel, Tea States, which also switched over to gas or diesel, Steel Plants, which were consuming NEC coal for blending for its high heat value, started importing coal of low sulphur content from foreign countries with liberalization of economy. These apart, with closure of Assam based plywood factories also NEC lost its market to the tune of 1 to 1.5 lakh Tonnes per year. NEC is also facing unfair competition from unorganised mines of Meghalaya. However, BRK sector started consuming NEC coal since 1991-92, which is a little relief to NEC.

This change in market has caused building up of coal stock in NEC and since coal of NEC has a very low incubation period, production had to be throttled.

13.2 Performance of NEC during last five years

	97-98	98-99	99-00	00-01	01-02
PRODUCTION (Tonnes)					
i) Underground	201400	180205	198872	204693	180896
ii) Opencast	486074	457218	373410	455487	459119
iii) Total	687474	637423	572282	660180	640015
DESPATCH (Tonnes)					
	567810	700592	820747	759610	620300
PROFIT/LOSS (Rs. CRORE)					
i) Underground	-48.84	-56.39	-66.41	-74.83	-61.48
ii) Opencast	8.80	10.81	4.48	11.69	20.39
iii) Overall	-41.86	-49.20	-63.28	-63.14	-41.84

13.3 NEC has all along been incurring loss barring few years between 1991-92 to 1994-95. In view of the mounting losses of NEC, Ministry of Coal conveyed the sanction of Rs. 55.14

crore to CIL in March 2001 for covering up the losses to the extent of cash loss suffered during 1999-00 by NEC and subsequently released Rs. 28.65 crore in March 2002. While conveying sanction of Rs. 55.14 crore Ministry had asked for a rehabilitation proposal to be prepared for NEC. Accordingly Draft Rehabilitation Plan for NEC has been prepared.

13.4 Committee has been constituted at CIL to examine the Draft Rehabilitation Plan for NEC and the Plan has been examined and the Committee visited the mines of NEC and the Plan is being finalised.

13.5 Steps taken in the direction of revival for NEC

In the prevailing mining conditions of NEC with highly steep seams, crushed strata, high degree of gassiness, very low incubation period giving rise to spontaneous heating of coal, it is not possible to introduce any large scale mechanization in the underground mines of NEC to improve techno-economics of underground mines which will reduce loss. Geological exploration is yet to be done in many parts of NEC. Thus the only alternative is to increase production from opencast mines substantially to reduce loss of underground mines as far as practicable. As a step towards it, three new opencast mines are being planned to be opened in Makum coalfield.

13.6 Most of the area in NEC is hilly terrain with deep forest cover leaving hardly any scope for opening large opencast mines either. Geological exploration also is yet to be done in many parts of NEC which takes time to conceive new potential opencast blocks. However, CMPDI has studied the opencast potential of NEC and has identified some potential opencast blocks on the basis of available geological data. Project Reports for three opencast patches/blocks are being prepared by CMPDI.

13.7 For exploration in Jagun block, approval of 50 boreholes (5000 m) in an area of 5 sq. km has been accorded.

13.8 Implementation/execution of the Rehabilitation Plan of NEC finally drawn will take some time in view of the problems of working of underground mines, associated problems of opening new opencast mines as pointed out in previous paragraphs. But the problem of marketing which appears to be a major barrier on the way of revival of NEC, has to be sorted out, for which all stake holders like State Government of Assam, MOEF, N.F. Railways etc., need to extend help in right earnest.

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