

NEYVELI LIGNITE CORPORATION LIMITED
Press Release

Neyveli Lignite Corporation Limited, a “Mini Ratna” Public Sector Enterprise, under the administrative control of Ministry of Coal (MOC) has a chequered history of achievements in the last 52 years since its inception in 1956. A pioneer among the public sector undertakings in energy sector, NLC operates three Opencast Lignite Mines of total capacity of 24 Million Tonnes per annum (MTPA) and three Thermal Power Stations with a total installed capacity of 2490 Mega Watt .

Production Performance for the year 2008-09 :

During the year 2008-09 , till the end of III Quarter (April to December 2008) Lignite production could not be achieved as per the target due to non availability of land for advancement of Mines. Moreover, due to unprecedented rainfall during the month of November 2008, which was the highest for an calendar year, production of lignite got affected adversely and consequently there was reduction in Power Generation.

Due to remedial measures taken on war footing in the last quarter (January to March 2009), of the year 2008-09, both lignite production and Power Generation achieved a remarkable level of performance. Performance in the IV quarter was the highest for any quarter since inception.

Product	Unit	Performance during 2008-09		
		Target	Actual	% of achievement
Overburden	MM ³	139.900	146.344	104.61
Lignite	MT	21.140	21.307	100.79
Power Gross	MU	16299.00	15765.56	96.73

The production performance during current year April 09 to May 09 is encouraging and the details are :

Product	Unit	Performance during 2009-10 (April - May 2009)			Actual April – May 2008	Growth in%
		Target	Actual	% of achievement		
Overburden	MM ³	26.545	27.361	103.07	22.758	20.23
Lignite	MT	3.760	3.922	104.31	3.631	8.01
Power Gross	MU	3034.00	3321.20	109.47	2862.98	16.00

Financial Performance :

- Sales turnover for the year 2008-09 stands at Rs 3554.91 crore as compared to Rs 2981.65 .crore in the previous year 2007-08 .
- Profit before tax stands at Rs 1046.01 crore for the year 2008-09 as compared to Rs1421.29 crore in the previous year 2007-08.
- Profit after tax stands at Rs 821.09 crore for the year 2008-09 as compared to Rs 1101.57 crore in the previous year 2007-08 .
- The Board of Directors of NLC have recommended a dividend of Rs. 2.00 per share for the year 2008-09, with an outflow of Rs. 335.54 crore.

Projects Under Construction :**Mine – II Expansion (4.5 MTPA of Lignite) :**

Government of India (GOI) has sanctioned the expansion of Mine – II from 10.5 MTPA to 15 MTPA of lignite on 18th October 2004 at a capital cost of Rs. 2161.28 crore, with a schedule of lignite production on 53rd month and attaining full capacity on 57th month from the date of sanction of GOI. Further, GOI had approved the revised cost estimation of the project at Rs 2295.93 Crores during July 2008. New Surface Bench System under Mine-II Expansion was commissioned on 29th March 2008. Overburden removal is in progress. Lignite production of this mine is expected to commence from January 2010 matching with synchronization of unit I of TPS – II Expansion.

TPS – II Expansion (2 units of 250 MW each) :

Government of India sanctioned the installation of 2 units of 250 MW each as an expansion of Second Thermal Power Station on 18th October 2004 at a cost of Rs. 2030.78 crore. The time schedule for commissioning of Unit – I is 53 months and for Unit – II is 57 months from the date of sanction of GOI. Revised cost estimate of the project was approved by GOI for Rs. 2453.57 Crores during July 2008. During the year 2008-09, lifting of boiler drum for unit – 2 was completed in May 2008. Erection of Chimney and Cooling tower – 1 have been completed. Erection works are in progress in respect of Boiler, Turbine condenser and other packages. The first unit is expected to be commissioned in May 2010 and second unit in November 2010.

Barsingsar Mine Project (2.10 MTPA of Lignite) :

GOI had sanctioned the Barsingsar Mine Project on 15th December 2004 at a capital cost of Rs. 254.07 crore, with a schedule of Lignite production on 45th month and attaining full capacity on 54th month from the date of sanction. Overburden removal, which has been out-sourced, has commenced from 7th August, 2006. Mine development work (Initial Mine cut) has been completed in June 2008. **On 8th September 2008, the Mine was inaugurated by Smt. Sonia Gandhi, the Hon'ble Chairperson, UPA.** LOA was issued for Lignite outsourcing in January 2009. Lignite Production is expected to start in July 2009 matching with the synchronization of Barsingsar TPS Unit-I.

Barsingsar Thermal Power Project (2 x 125 MW).

Barsingsar Thermal Power project of 250 MW (2 x 125 MW) capacity, linked to Barsingsar mine project was sanctioned by GOI in 15th December 2004 at a cost of Rs. 1114.18 crore. The first unit of the power plant is scheduled to be commissioned at the end of 48th month and the second unit at the end of 54th month from the date of sanction.

During the year 2008-09, water carrier system was commissioned in May 2008. Hydro test of Unit-I was completed on August 2008. Erection works are in progress in respect of boiler, turbine, lignite handling system, switch yard, transformers and DM & water treatment plant. The first unit is expected to be commissioned in Oct 2009 and second unit in January 2010.

By implementing the above projects, NLC's mining capacity will be increased from 24.0 Million Tonnes to 30.6 Million Tonnes Per annum and Power generating capacity from 2490 Mega Watt to 3240 Mega Watt during 2010.

Neyveli Tamilnadu Power Limited (NTPL):

GOI sanction was received for a Coal Based Power Plant of 1000 MW capacity at Tuticorin, on 12th May 2008 at a cost of Rs. 4909.54 Crores which is to be implemented by NLC Tamilnadu power Limited - a joint venture Company by NLC and TNEB. LOA has been issued in January 2009 for Main Plant package. Tendering activities for other major packages are in advanced stage. This project is scheduled to be commissioned during 2012-13.

The foundation stone for the project was laid on 28th February 2009 at the project site. Hon'ble Ministers of the Union Government and Government of Tamil Nadu participated in this occasion.

Awards

Some of the awards received by NLC during the year 2008-09 are :

- NLC was awarded the Eco Innovation Golden Peacock Award - 2008 for the innovative product “Potassium Humate” by the World Environment Foundation on 01.06.2008.
- NLC bagged the “ICWAI National award for Excellence in Cost management” for effective implementation of various cost control measures from the Institute of Cost and works accountants of India (ICWAI) on 13.03. 2009

New ventures for power generation & mining :

NLC proposes the following ventures in Power Generation and Mining :

- Formation of NLC Videsh Ltd., for acquiring coal assets in foreign countries.
- Venturing in renewable energy (wind power) and hydro power.
- Participating in development of coal blocks allotted to State governments or power generation based on coal mined from such blocks or both under public private partnership with State government undertaking / private firms.
- Participating in tariff based competitive bidding of power for taking up Ultra Mega Power projects being floated by Ministry of Power.

Future Plans

NLC is poised for a rapid growth in the mining and power generation capacity and is expanding its activities not only at Neyveli but also in other parts of the country. NLC is also venturing in New projects with fuels other than Lignite.

The following projects are proposed to be taken up by NLC during the 11th /12th Plan period :

- Bithnok Lignite Mine-cum-Power Project (2.1 MTPA Lignite Mine with linked 250 MW Power Plant)
- Hadla Lignite Mine-cum-Power Project (Barsingsar Extension) (2.5 MTPA Lignite Mine with linked 250 MW Power Plant)
- Jayamkondam Lignite Mine cum Power Project (13.5 MTPA Lignite Mine with linked 1600 MW Power Plant)
- Valia Lignite Mine cum Power Project at Gujarat (8 MTPA Lignite Mine with linked 1000 MW Power Plant)
- A 15 MTPA Coal Mine under Joint Venture with MCL and a 2000 MW Power Plant in Ib valley in Orissa.
- NLC's New Thermal Power Project at Neyveli (2 X 500 MW) in lieu of TPS-I.
- Mine – III linked with TPS – III (8 MTPA Lignite Mine and 1000 MW Power Plant) at Neyveli.
- Coal based power project at Madhya Pradesh (1000 MW Power Plant)
- Coal based power project at Jharkand (1000 MW Power Plant)
- Coal based power project at Uttar Pradesh (2000 MW Power Plant)

Fund requirement of the above projects will be met from internal accruals and borrowings. Upon successful completion of the above projects, NLC's mining capacity will be increased to 79.70 MTPA, (both Lignite and Coal) and power generation capacity will be raised to 14740 MW.
