

COAL AND LIGNITE PROJECTS

6.1 COAL PROJECTS APPRAISAL & MONITORING

6.1.1 On being conferred the 'Maharatna' status, Coal India Limited (CIL) is now empowered to sanction/approve and implement all its projects including those which are beyond the delegated powers of the Boards of its subsidiaries. Being conferred the status of "Mini Ratna", Board of Directors of Northern Coalfields Limited (NCL), Western Coalfields Limited (WCL), South Eastern Coalfields Limited (SECL), Mahanadi Coalfields Limited (MCL) and Central Coalfields Limited (CCL) are empowered to approve projects costing up to ₹ 500 Crore. The Board of Directors of Central Mine Planning & Design Institute Limited (CMPDIL) is empowered to approve projects costing up to ₹ 250 Crore as the company comes under the Mini Ratna category-II. The Board of Directors of Eastern Coalfields Limited (ECL) and Bharat Coking Coal Limited (BCCL) can approve Coal projects up to ₹ 20 Crore. The projects having capital expenditure beyond the approval

capacity of the concerned subsidiaries are sent to CIL Board, after being approved by the board of the respective subsidiary, for final approval. As per the Financial Powers delegated to Public Sector Enterprises (PSEs) conferred with Navratna Status, NLC has been empowered to incur Capital Expenditure on purchase of new items or items for replacement without any monetary ceiling. Accordingly, NLC Board is empowered to approve the New Project Proposals.

6.1.2 Coal projects are monitored in the Coal companies at colliery level, area level and HQ level. Remedial actions, wherever warranted, are taken. Quarterly Project Monitoring Reports of projects costing ₹ 150 Crore and above are submitted by all companies to this Ministry as well as Ministry of Programme Implementation. In the Ministry of Coal, major Coal projects costing above ₹ 500 Crore and having capacity 3 MT or more are monitored at the level of Secretary (Coal) on quarterly basis.

In this meeting representative(s) from

Planning Commission, Department of Expenditure, Ministry of Statistics & Programme Implementation and Ministry of Environment and Forests and Ministry of Railways also participate. Such meetings are taken on the basis of inputs furnished by the companies indicating various problems encountered by them in implementation of projects under their jurisdiction and command. Based on the decision taken in the review meetings, appropriate follow up action is taken both in the Ministry of Coal and by the Coal companies concerned. This apart, whenever Coal

companies approach the Ministry for extending Governmental support for resolution of any pending issues affecting implementation of Coal projects, the matter is taken up by the Ministry at the appropriate level with the concerned authorities.

6.2 COAL AND LIGNITE PROJECTS

6.2.1 During the period from 01.01.2013 to 31.03.2014, no project of CIL was sanctioned by Government.

6.2.2 Revised Estimate (RCE-II) for Thermal Power Station-II Expansion was approved by the NLC Board in April, 2012 for an amount of ₹ 3027.59 Crore.

A-New/Expn./Extn. Project sanctioned by Coal India Limited from 01.01.2013 to 31.03.2014:-

S No	Project	Sub	Date of Approval	Sanc. Capacity (MT)	Sanc. Capital (₹ Crore)
1.	Kusmunda OCP	SECL	03.08.2013	50.00 (35 Incr)	7612.33 (Incr 6912.33)
2.	Chhal OCP	SECL	16.12.2013	06.00	2127.59
3.	North Tisra South Tisra OC	BCCL	12.02.2014	6.00	555.52

B. New/Expn/Extn sanctioned by the Subsidiary Coal Companies from 01.01.2013 to 31.03.2014:-

S. No.	Project	Sub	Date of Approval	Sanc Capacity (MT)	Sanc Capital (₹ Crore)
1.	Sayal 'D' OCP	CCL	10.10.2013	1.00	48.53
2.	Jeevandhara OC	CCL	19.11.2013	1.00	282.20
3.	Mugoli & Nirguda Ext OC	WCL	06.02.2014	3.00	372.52
4.	Hindustan Lalpeth	WCL	06.02.2014	1.00	40.07

- C. No RCE/RPR/UCE sanctioned by Coal India Limited from 01.01.2013 to 1.03.2014.
- D. RCE/RPR/UCE sanctioned by the Subsidiary Coal Companies from 01.01.2013 to 31.03.2014:-

S. No.	Project	Sub	Date of Approval	Sanc. Capacity (MT)	Sanc Capital (₹ Crore)
1.	Mahan OC	SECL	30.01.2013	0.36	148.72
2.	Lajkura OC	MCL	31.03.2013	2.50	60.77

6.2.3 During the period from 01.01.2013 to 31.03.2014 no project of SCCL was sanctioned by Government.

6.2.4 Revised Cost Estimate (RCE) of ₹ 6602.74 Crore for Neyveli Thermal Power Limited (NTPL) was approved by the Govt. Of India on 27th November, 2013.

6.2.5 As on 31.03.2014, out of total 737 mining projects sanctioned so far in CIL, costing ₹ 2 Crore and above, 441 projects stand completed (including projects which are merged, completed and merged, foreclosed & where Coal reserve have since been exhausted), 150 projects are under various stages of implementation (excluding 15 projects approved on Cost plus basis) and remaining 131 projects have either been shelved or withdrawn.

As on date, these 36 projects are delayed mainly due to factors like acquisition of land and associated R&R issues, delay in grant of forestry clearance & lack of Coal evacuation facility.

Similarly, projects costing ₹ 20 Crore & above are being monitored at the CIL level. 117 mining and 25 non-mining ongoing projects, costing ₹ 20 Crore & above, are under implementation in CIL. Out of these, 87 mining projects and 04 non-mining projects are delayed.

In Singareni Collieries Company Limited [SCCL], Out of total 26 projects, 22 mining projects and 04 non-mining projects costing ₹ 20 Crore and above are under implementation in SCCL. Out of these 22 projects, 08 projects are on schedule and 14 projects are delayed.

Company	No. of projects	Sanctioned Capital [₹ Crore]	Capacity MTPA	Project on schedule	Project delayed
SCCL	Mining - 22	5872.35	41.67	08	114
SCCL	Non-Mining - 04	5876.50	-	04	-
Total	26	11748.85	-	12	14

6.3 MAIN REASONS FOR SLIPPAGE IN THE IMPLEMENTATION OF PROJECTS:

- a) Delay in acquisition of land and associated problems of rehabilitation.
- b) Delay in grant of Environmental & Forest Clearances.
- c) Delay due to adverse geo-mining conditions.
- d) Other misc. problems such as delay or discontinuance of work by contractor, non participation in tender, DGMS permissions etc.

6.4 STEPS TAKEN TO IMPROVE PROJECT IMPLEMENTATION:

6.4.1 Land acquisition and rehabilitation:

- i) CIL has approved a new Rehabilitation & Resettlement Policy in March, 2012 wherein the subsidiary companies have been granted greater flexibility in addressing R&R issues with a view to facilitate faster acquisition of land at all levels.
- ii) Vigorous follow up action with concerned State Govt. Officials are being actively done to expedite land acquisition proceedings.
- iii) Regular meetings with State

Authorities viz. Land Revenue Commissioner, LR Secretary, Chief Secretary and Committees constituted by respective State Govts are held to sort out acute problems.

- iv) Forest officials are contacted on regular basis at District and Tehsildar level to fulfill the requirement & queries. Periodical contacts are done with the Regional Office & Main office of MoEF for expeditious clearance of the forestry proposals.
- v) Discussions held with land owners / villagers for selection of rehabilitation site and they are persuaded to accept the rehabilitation benefits and to shift to the rehabilitation site.

6.4.2 Geo-mining constraints:

Sophisticated geological and geophysical exploration techniques are gradually being introduced for advance & accurate forecasting of geo-mining condition.

6.5 PROJECT MANAGEMENT:

- i) Director (Projects & Planning) posted in each company with overall responsibility of implementation of projects.

- ii) Comprehensive guidelines for project formulation and monitoring issued by the Govt.
- iii) The system of monitoring at various levels has been standardized.
- iv) Project monitoring is done on monthly basis or at shorter intervals at the area level by General Manager/Chief General Managers and at regular intervals by Director [Projects] and CMDs at corporative level.
- v) Status of projects are also reviewed at every Company Board meeting by exception.
- vi) Mandatory review of the projects is carried out at company level when the expenditure of the project exceeds 50% of the sanctioned capital.
- vii) Projects costing ₹ 100 Crore and above are also reviewed in CIL Board by exception.
- viii) Progress reports in respect of projects costing ₹ 150 Crore and above are also submitted to Department of Programme Implementation regularly.
- ix) Ministry of Statistics & Programme Implementation regularly monitors the implementation of projects costing ₹ 150 Crore and above.
- x) **Cabinet Committee on Investment (CCI):** The CCI was constituted on 2nd January, 2013 with the approval of Prime Minister. The function of the committee are (i) to identify key projects required to be implemented on a time bound basis involving investments of ₹ 1000 Crore or more or any other critical projects (ii) to prescribe time limits for issue of requisite approval etc. (iii) to monitor the progress of identified projects (iv) to review implementation of projects, (v) to review the procedures followed by Ministries/Departments to grant/refuse approval and clearances.
- xi) **Project Monitoring Group (PMG):** A meeting was Chaired by Prime Minister to discuss institutional mechanism to track stalled investment projects, both in the public and private sector and to remove the implementation bottlenecks in these projects on fast-track basis. A special Cell was created in the

Cabinet Secretariat under the direction of Prime Minister. PMG regularly monitors only pending projects listed in their website for any pending issues at State and Central level and holding regular meetings with State Govt. and Central Ministries for addressing pending issues.

6.5.1 Cooperation sought from State Governments in Project Implementation:

- i) State Govt. may also share the responsibility for acquisition of land along with Coal Companies. Delivery of possession of land by the State Govts be ensured after the requisite fund is deposited with State Govt, so as to avoid any delay in implementation of projects.
- ii) Public Hearing should be held in time bound manner to expedite the approval of proposals for Environmental Clearance (EC).
- iii) Responsibility for acquisition of forest land should be restricted to payment of Net Present Value charges etc. only by the Coal Companies. The time now required for processing the proposal may be reduced by

restricting the movements of file in different channels. Gram Sabha should be held in a time bound manner so that the NOC under FRA Act could be obtained expeditiously.

- iv) A pro-active view is required to be taken by the State Authorities/MOEF in providing clearances for construction of rail infrastructure for evacuation of Coal from the collieries.

6.5.2 Implementation of three Critical Railway Lines in three potential Coalfields:

In order to evacuate/transport Coal from pithead three critical railway lines have been identified in the three potential Coalfields as mentioned below:-

- (i) Tori-Shivpur-Kathautia Railway Line (90.7 kms) in North Karanpura in Jharkhand,
- (ii) Jharsuguda-Barpalli-Sardega Railway Line (53 kms.) in Ib Valley, Odisha,
- (iii) Bhupdevpur-Korichapar-Dharamjairgarh (180 kms.) in Mand-Raigarh Coalfield, Chhattisgarh.

As per the Ministry of Railways the envisaged date of commissioning of these three railway lines are

December, 2016, June 2016 and September, 2016 respectively. PMO has constituted an Inter-Ministerial Committee (IMC) under the Chairmanship of Chairman, Railway Board with Secretaries of Coal, Power & MoEF for monitoring/ implementation of the above three critical rail projects. Regular meetings are being held by IMC to address the concerned issues. Completion of these three rail lines would help increasing production to the extent of 200 MT from these Coalfields.

6.6 LIGNITE PROJECTS UNDER CONSTRUCTION/ IMPLEMENTATION

6.6.1 In respect of TPS-II Expansion project, Unit-I was synchronized on 18th May 2011 with oil and with lignite on 27th June 2011. Unit-I was synchronized with southern grid on 08th March 2014 after modification.

In respect to Unit-II, Boiler was lighted up on 24th October 2013. Turbine was rolled to the rated 3000 rpm and the short circuit electrical test was carried out on 25th October 2013. The pre commissioning activities are being carried out. M/s BHEL has now committed to commission Unit-II in May 2014.

6.6.2 A Coal based Thermal Power Project at Tuticorin (1000 MW) was sanctioned in May 2008 with a cost of ₹ 4909.54 Crore. NLC is implementing this project through NLC Tamil Nadu power Limited (NTPL) - a joint venture Company formed by NLC and TNEB with equity participation in the ratio of 89:11. Erection of boiler structures, pressure parts, ESP, Air heaters, Ducts, Fans and mills are in progress in both the units. Condenser mechanical erection is in progress in both the Units. Civil works for service building, Electro static Precipitator Control room, Fuel Oil Pump House, Condensate storage Tank, Compressor house, Power House super structure, pipe rack foundations are in progress. Anticipated Commissioning: Unit-I: July 2014 and Unit-II: September 2014.

6.6.3 "Neyveli New Thermal Power Station" (2 x 500 MW) at a sanctioned cost of ₹ 5907.11 Crore at Neyveli as a replacement to the existing 600 MW TPS-I was sanctioned by GoI on 9th June 2011. The LOA for Steam Generator package and Turbo-Generator package were issued to BHEL on 31st October 2013 and 23rd December 2013 respectively. For Balance of Plant, offers are being evaluated.