

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 ₹20 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 Mty or more are monitored at the level of Secretary (Coal) on quarterly basis. In this meeting representative from Planning Commission, Department of Expenditure, Ministry of Statistics & Programme Implementation and MoEF 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 01.04.2011 to 31.12.2011 no project has been sanctioned by Government.



Wide view of a coal handling Plant in near a coal mine

6.2.2 During the year, Thermal Power Project at Neyveli (1000 MW) at a capital cost of ₹.5907.11 was sanctioned on 9th June, 2011.

6.2.3 List of new projects/RCE/RPR sanctioned by Coal India Limited and its subsidiary companies under their delegated powers from 01.04.2011 to 31.12.2011 are give as under:-

A. Expansion Project sanctioned by Coal India Limited from 01.04.2011 to 31.12.2011

Sl No	Project	Company	Date of Approval	Sanctioned Capacity (Mty)	Sanctioned Capital (₹.Crore)
1	KHADIA EXPN	NCL	28.06.2011	6.00	588.75
2	KOTTADIH CM	ECL	13.05.2011	0.60	127.17
3	MOONIDIH XIV SEAM	BCCL	12.08.2011	1.50	1230.27

B. New Project sanctioned by Coal India Limited from 01.04.2011 to 31.12.2011

Sl No	Project	Company	Date of Approval	Sanctioned Capacity (Mty)	Sanctioned Capital (₹.Crore)
1	KAPURIA BLOCK	BCCL	12.08.2011	2.00	988.35

C. New Project sanctioned by Singareni Collieries Company Limited from 01.04.2011 to 31.12.2011

Sl No	Project	Company	Date of Approval	Sanctioned Capacity (Mty)	Sanctioned Capital(. Crore)
1	Kashipet-2 Incline	SCCL	04.07.2011	0.47	60.18
2	JVR OCP II	SCCL	04.07.2011	4.00	447.06

D. RCE/RPR/UCE sanctioned by Coal India Limited from 01.04.2011 to 31.12.2011

Sl No	Project	Sub	Date of Approval	Sanctioned Capacity (Mty)	Sanctioned Capital(. Crore)
1	JHANJHARA 2ND CM	ECL	13/05/2011	0.51	122.35
2	KRISHNASHILA	NCL	28/06/2011	4.00	789.88
3	BLOCK-B	NCL	28/06/2011	3.50	746.04

6.2.4 As on 31.12.2011, out of total 728 mining projects in CIL, costing ₹2 Crores & above, 436 projects stand completed (including projects which are merged, completed and merged, & where coal reserve have since been exhausted) and 160 projects are under various stages of implementation. Out of 160 on-going projects, 98 are on schedule and 62 are delayed. Remaining 132 projects have either been shelved or withdrawn. In Singareni Collieries Company Limited (SCCL) out of total 142 mining projects, costing ₹ 2 Crores and above, 56 projects are closed /dropped/merged/foreclosed, out of remaining 86 projects, 61 projects completed, 13 projects are on schedule and 12 projects are delayed. Out of 12 delayed projects, 2 proposals are for completion and 1 is proposed for dropping.

6.2.5 As on 31.12.2011, out of total 728 mining projects in CIL, costing ₹ 2 crore & above, 436 projects stand completed (including projects which are merged, completed and merged, & where coal reserve have since been exhausted) and 160 projects are under various stages of implementation. Out of 160 on-going projects, 98 are on schedule and 62 are delayed. Remaining

132 projects have either been shelved or withdrawn.

6.2.6 As on 31.12.2011, 130 mining and 13 non-mining ongoing projects, costing ₹ 20 Crores & above, are under implementation in CIL. Out of these, 44 mining projects and 3 non-mining projects are delayed. In Singareni Collieries Company Limited (SCCL) Out of total 28 projects (24 mining and 4 non-mining) costing ₹ 20 crores and above are under implementation. Out of these 28 projects, 17 projects (13 Mining and 4 non-mining) are on schedule, 9 Mining projects are delayed, 2 Mining projects are proposed for completion.

6.3 MAIN REASONS FOR SLIPPAGE IN THE IMPLEMENTATION OF PROJECTS

- Delay in acquisition of land and associated problems of rehabilitation.
- Delay in diversion of forest land and associated problems of rehabilitation.
- Delay in grant of Environmental & Forest Clearances.

- (d) Delay due to adverse geo-mining condition.
- (e) Delay due to restriction in exploration in forest area by MoEF.
- (f) Other misc. problems such as delay or discontinuance of work by contractor, non participation in tender, DGMS permissions.

6.4 STEPS TAKEN TO IMPROVE PROJECT IMPLEMENTATION

6.4.1 Land acquisition and rehabilitation :

- (i) Vigorous follow up action with concerned State Govt. Officials is being actively done to expedite land acquisition proceedings.
- (ii) 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.

- (iii) 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.

- (iv) 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 geo-physi-



A heavy dumper unloading the overburden topsoil in opencast

cal 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 Status of project is also reviewed at every Company Board meeting by exception.
- (v) Mandatory review of the projects is carried out at company level when the expenditure of the project exceeds 50% of the sanctioned capital.
- (vi) Projects costing ` .100 crore & above are also reviewed in CIL Board by exception
- (vii) Progress reports in respect of projects costing ₹100 crore & above are also submitted to Department of Programme Implementation regularly
- (viii) Department of Programme Implementation regularly monitors the implementation of projects costing ₹150 crore and above
- (ix) Quarterly review in the administrative Ministry/Department at the level of Secretary is taken for

major projects

6.5.1 Assistance required 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) Now-a-days, land acquisition is becoming very difficult due to competitive scenario, arising out of acquisition of land by several other agencies in the near-by areas of coal projects of CIL. Different agencies of other sectors as well as captive coal mine owners, by direct negotiation with the land owners, are offering much higher rate of land compensation compared to the rate of compensation offered by CIL Coal Companies as per prevailing rates calculated as per provisions of CBA Act & LA Act. It is suggested that a comprehensive view may be taken at the Government level to device the methodology for fixing rate of compensation of land taking into account the existing rates in the surrounding areas.
- (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
- (iv) Suitable amendments may be considered in CBA Act so that compensation earlier approved under the CBA Act [based on the date of notification u/s 4(1)] and

compensation not accepted, may be re-assessed considering the prevalent market rates of the adjoining area at the time of delivering the physical possession of land. For fresh cases, compensation rates may be assessed based upon the prevalent market rates of the adjoining area at the time of delivering the physical possession of land and not based upon the date of notification u/s 4(1) of the CBA Act

6.6 LIGNITE PROJECT SUNDER CONSTRUCTION /IMPLEMENTATION

6.6.1 Govt. of India sanctioned the expansion of Mine-II from 10.5 MTPA to 15.0 MTPA of lignite linked to TPS-II Expansion with 2 Units of 250 MW each on 18th October 2004 at a capital cost of ₹4192.06 crore. Revised Cost Estimate of ₹4749.50 crore. was approved in June 2007.

6.6.2 Mine-II Expansion project was completed on 12th March 2010. The mine was dedicated to the Nation by the Hon'ble Union Minister of State for Coal & Statistics and Programme Implementation on 5th April 2010 at Neyveli.

6.6.3 In respect of TPS-II Expansion project, Unit-I was synchronized on 18.05.2011 with oil and with lignite on 27.06.2011.

With regard to Unit-II refractory laying works, pressure parts erection, power cycle piping, blowers, electrical equipment erection & cabling and control & Instrumentation works are in progress.

It is now anticipated that Unit-1 will be commissioned in 2011-12 and Unit-2 in July 2012.

6.6.4 Government of India sanctioned Barsingsar lignite Mine Project of 2.1 MTPA linked to the Barsingsar Power Project of 2 units of 125 MW each on 15th December 2004 at a cost of ₹ 1368.25 crore, at Rajasthan. Revised Cost

Estimate of ₹1880.69 crore was approved in June 2007.

6.6.5 In respect of Barsingsar Mines Project, Both overburden and lignite production has been outsourced. The Mine Project was completed in June 2010.

6.6.6 In respect of Barsingsar Thermal Power Project, First unit was synchronized on 27/10/2009 and dedicated to the Nation by Hon'ble Minister of State for Coal on 05th June 2010 and Unit-II was also synchronized on 5th June 2010.

6.6.7 Barsingsar Thermal Power Project Unit-II was declared for commercial operation from 29th December 2011. Unit-I was declared for commercial operation from 15th January 2012.

6.6.8 Thermal Power Project at Tuticorin :

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 (TNPL) - a joint venture Company formed by NLC and TNEB with equity participation in the ratio of 89:11. Contract for all major packages has been issued. Supply and erection activities are in progress. Boiler drum for both the units were lifted in September 2011. This project is anticipated to be commissioned during 2012-13. Civil works in respect of SG & TG and coal handling system are in progress. Erection of Boiler structures & preparatory works for pressure parts erection are in progress in both the Units. Erection works are in progress for Coal handling plant. Site works are in progress for Switchyard, Chimney and Cooling Tower packages. Tendering activities for Shore Unloaders and Coal washery & logistics and other peripheral packages are in various stages.

6.6.9 Neyveli New Thermal Power Station :

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. This project is scheduled to be commissioned in 2015-16. Draft Final Report on Feasibility of Restructuring of Mine I and Mine IA and

Inter-linkage study for the restructuring of Mine-I and Mine-IA has been received and is under scrutiny. Soil Investigation works of Lignite & Conveyor Corridor completed. EIA-EMP Study for Mine I & Mine IA is in progress. Site grading and construction of compound wall are in progress. Tendering activities for Main Plant Packages and Balance of Plant are in progress.

6.7 PROJECTED TARGETS FOR THE PERIOD FROM JANUARY TO MARCH 2012**A. (i) New/Expn./Extn. Projects likely to be sanctioned by Coal India from January, 2012 to March, 2012 are as under :-**

SI No	Name of the Project	Company	Est Capacity (Mty)	Est Capital (₹ Crore)
1.	Amrapali OCP	CCL	12.00	858.11
2.	North/South Tisra OCP	BCCL	6.0 +15%	409.03
3.	Sonepur Bazari Combined Seam OC	ECL	8.00	1055.00

A. (ii) New/Expn/Extn Projects likely to be sanctioned by the Subsidiary Coal Companies from January, 2012 to March, 2012 are as under :-

SI No	Name of the Project	Company	Est Capacity (Mty)	Est Capital (₹ Crore)
1.	Nakoda UG to OC	WCL	0.80	350.00
2.	Padampur Deep OC	WCL	1.00	120.00
3.	Visapur OC	WCL	1.00	188.87

B (i). RCE/RPR/UCR likely to be sanctioned by Coal India Limited from January to March, 2012

SI No	Project	Company	Capacity0.42 (Mty)	Capital (₹ Crore)
1	HBI (Augmentation)	MCL	0.42	105.78

B. (ii) . RCE/RPR/UCR likely to be sanctioned subsidiary coal companies from January to March, 2012

SI No	Project	Company	Date of Approval	Sanc Capacity (Mty)	Sanc Capital (₹ Crore)
1	Baroud OC Expn	SECL	March, 2012	3.00	258.56