

Coal and Lignite Projects

6.1 Coal Projects Appraisal & Monitoring

6.1.1 On being conferred the 'Navratna' 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 Rs.500 crores. The Board of Directors of Central Mine Planning & Design Institute Limited (CMPDIL) is empowered to approve projects costing up to Rs.300 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 Rs.20 crores. Board of Directors of Singareni Collieries Company Limited (SCCL) is also empowered to approve coal projects up to Rs.500 crores. Projects of SCCL costing above Rs.500 crores are approved by the Govt. through EFC/PIB and CCEA. Environmental clearance is mandatory before the project proposal is posed to Cabinet Committee on Economic Affairs for approval. NLC is currently a Mini Ratna company with delegated

powers to set up projects upto Rs.500 crore. However, their proposal for Navratna status is under advance stage of consideration.

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 Rs.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 Rs.100 crore 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.



Opencast Mining Operations

6.2 Coal and Lignite Projects

6.2.1 During the period from 01.04.2010 to 31.12.2010, no project has been sanctioned by Government.

6.2.2 During the year, PIB meeting for Thermal Power Project at Neyveli (1000 MW) was held on 10th November 2010 with the PIB

recommending this project proposal for consideration of CCI for the investment decision.

6.2.3 List of new projects / RCE/ RPR sanctioned by Coal India limited and its subsidiary companies under their delegated powers from 01.04.10 to 31.12.10 are given as under:

A. Expansion project sanctioned by Coal India Ltd from 01.04.2010 to 31.12.2010

Sl.	Projects	Sub	Date of Approval	Sanc. Capacity (Mty)	Sanc. Capital (₹ Crs)
1.	Gevra Expn. OC	SECL	31.05.10	10.00	1008.12

B (i) New project sanctioned by coal companies from 01.04.2010 to 31.12.2010

Sl.	Projects	Sub	Date of Approval	Sanc. Capacity (Mty)	Sanc. Capital (₹ Crs)
1.	Hansdiha Patch II (Sch) OC	ECL	19.05.10	1.50	16.57
2	Kistaram OCP	SCCL	01.11.2010	2.00	242.29

(ii) No RCE / RPR has been sanctioned by coal companies from 01.04.2010 to 31.12.2010

6.2.4 The number of mining projects of CIL and SCCL costing ₹2 crores and above

sanctioned since nationalization till 31.12.2010 is as under:-

Sub	Projects costing				Sanc. Capital (₹ Cr.)*	Sanc. Capacity (Mty) *
	More than ₹ 100 Cr.	₹ 20 to 100 Cr.	₹ 2 to 20 Cr.	Total		
ECL	13	17	93	123	5587.63	70.58
BCCL	04	09	90	103	2123.68	43.09
CCL	19	22	63	104	5998.00	118.25
NCL	14	09	03	26	8695.01	75.60
WCL	07	62	79	148	5358.25	79.65
SECL	17	59	73	149	10897.00	154.43
MCL	20	23	17	60	5867.10	198.63
NEC	00	04	00	04	172.69	1.20
CIL	94	205	418	717	44699.36	741.43
SCCL	15	58	67	140	8595.68	113.96

(*Excluding Capacity & Capital of Merged & Completed-Merged projects)

6.2.5 As on 31.12.2010, out of total 717 mining projects in CIL, costing ₹ 2 Crores & above, 423 projects stand completed (including projects which are merged, completed and merged & where coal reserves have since been exhausted) and 161 projects are under various stages of implementation. Out of 161 on-going projects, 120 are on schedule

and 41 are delayed. Remaining 133 projects have either been shelved or withdrawn. In Singareni Collieries Company Limited (SCCL) out of total 140 mining projects, costing ₹2 crores and above, 55 projects are closed / dropped / converted / merged / foreclosed. The details of balance 85 projects are as under:-

Company	Total No. of Projects	Number of completed projects	On schedule	Delayed	On hold	Total
SCCL	85	59	10	12	4	26

6.2.6 Status of projects monitored at the Government level

Projects costing ₹ 20 crores & above are being monitored at the Government level. As on 31.12.2010, 131 mining and 12 non-mining ongoing projects, costing ₹20 crores & above, are under implementation in CIL.

Out of these, 25 mining projects and 3 non-mining projects are delayed. In SCCL out of total 34 projects, 12 projects (10 Mining and 2 non-mining) are on schedule, 17 projects (12 Mining and 5 non-mining) are delayed and 5 projects (4 mining and 1 non-mining) are kept on hold. In NLC out of total 3 projects, 1 project is on schedule

and 2 projects are delayed. Summarized position of the projects is as follows :-

Type	No of Projects	Sanctioned Capital (₹Cr.)	Ultimate Capacity	Projects on Schedule	Projects Delayed	Project On hold
CIL	143	30050.21	406.32 Mty	115	28	-
SCCL	34	10222.37	39.753 Mty	12	17	5
NLC	3	8989.10	1750 MW	01	2	-

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 diversion of forest land.
- (c) Delay due to adverse geo-mining condition.
- (d) Other misc. problems such as delay or discontinuance of work by contractor, non participation in tender, DGMS permissions.
- (e) Delay in contract management issues.

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 taken 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-physical exploration techniques have been introduced for advance & accurate forecasting of geo-mining condition.

6.5 Project Management

- (1) Director (Projects & Planning) posted in each company with overall responsibility of implementation of projects.
- (2) Comprehensive guidelines for project formulation and monitoring issued by the Govt.
- (3) The system of monitoring at various levels has been standardized.
- (4) 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 corporate level.

- (5) Mandatory review of the projects is carried out at company level when the expenditure of the project exceeds 50% of the sanctioned capital.
- (6) Projects costing Rs.100 crores & above are also reviewed in CIL Board by exception.
- (7) Progress reports in respect of projects costing Rs.150 crores & above are also submitted to Department of Programme Implementation regularly.
- (8) Department of Programme Implementation regularly monitors the implementation of projects costing 20 crores and above.
- (9) 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

- (1) 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.
- (2) 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.

- (3) 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.
- (4) For Prospecting, up to 20 boreholes per sq. Km be exempted from taking permission under F(C) Act, 1980.

6.6 Lignite Projects Under Construction / Implementation

6.6.1 Government 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 Rs. 4192.06 Crores. The project was completed in March, 2010.

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, Erection of Boilers, Electrostatic Precipitators and Turbo Generators are in progress. Hydro test for Unit-I & II was completed on 27.06.09 and 30.07.2010 respectively. Chimney and Cooling Towers-I&II completed on 15.01.2010. Commissioning of circulatory water system including Fire Hydrant System was achieved on 09.11.2010. Erection works in Lignite handling system; DM Water treatment plant and Ash handling system are in progress. As the progress of Main plant package contractor M/s BHEL is not

adequate to fulfill the commitment, there is likely to be a delay of about 28 months in the commissioning of the units. The progress of works by M/s BHEL, both in supply of materials and erection works at site are being taken up with the top management of M/s. BHEL on periodical basis, besides appraising the Ministry of Coal, Ministry of Power, Ministry of Heavy Industries and also CEA so as to avoid further delay and expedite the erection works for early commissioning of the units. It is now anticipated that Unit-1 will be commissioned in March 2011 and Unit-2 in October 2011.



Bucket-Wheel Excavator-Neyveli Lignite Corporation

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 Rs. 1368.25 Crore, at Rajasthan.

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 However teething problems being faced in both the units in the process of stabilization are attended to by the contractor M/s. BHEL. Bunker lining modification has been completed and both the units are expected

to be commissioned before March 2011 .

6.7 Projected Targets for the Period From January to March 2011

A. (i) New / Expn. / Extn. Projects likely to be sanctioned by Coal India Ltd from January 2011 to March, 2011 are as under :-

SL. No	Name of the Projects	Company	Est. Capacity (Mty)	Est. Capital Cost (₹ Crores)
1	Sonepur Bazari Comb. OCP	ECL	8.00	1587.84
2	Development of Muraidih UG Mine	BCCL	2.00	339.875
3	Setting up of 5 Mty washery for washing NLW coking coal near existing Patherdih Washery	BCCL	5.00	169.6416
4	Khadia Expansion OC	NCL	6.00 (incr.)	1488.57
5	Tipong OC	NEC	1.00	230.27
6	PQ Block OC	NEC	0.15	26.70

A. (ii) New / Expn. / Extn. Projects likely to be sanctioned by Subsidiary Coal Companies from January to March, 2011

SL. No	Name of the Projects	Company	Est. Capacity (Mty)	Est. Capital Cost (₹ Crores)
1	Samleswari OC Expn. (Ph-IV)	MCL	5.00	27.82
2	Belpahar OCP Expn (Ph-II)	MCL	4.50	14.41
3	New Majri Sector-I/II A OC	WCL	1.00	50.39

B. (i) RCE / RPR likely to be sanctioned by Coal India Ltd from January to March,2011

SL. No	Name of the Projects	Company	Capacity (Mty)	Capital Cost (₹Crores)
1	RCE for Introduction of Continuous Miner at Kottadiah UG (Ph-I)	ECL	0.51	122.35
2	Rapid Loading system with SILO near Maheshpur Siding	BCCL	5.00	140.4696
3	Block-B OCP	NCL	3.50	535.10

B. (ii) RCE / RPR likely to be sanctioned by Subsidiary Coal Companies from January to March,2011

SL. No	Name of the Projects	Company	Capacity (Mty)	Capital Cost (₹ Crores)
1	HBI Augmentation UG	MCL	1.00	104.37
2	Bagdeva UG	SECL	0.75	82.00
3	Jhilmili UG	SECL	0.50	40.00
4	RPR of Amalgamted Gondegaon-Ghatrohan OC	WCL	2.00	73.88



Inauguration of Mine-II Expansion Project (NLC) by Hon'ble Minister of State (I/C) for Coal & SPI