

## 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 Rs.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 01.04.2012 to 31.12.2012 no project has been sanctioned by Government.



A large Dragline is in operation during OB removal activity in an opencast coal mine.

6.2.2 During the period from 01.04.2012 to 31.12.2012 no project was sanctioned in Neyveli Lignite Corporation.

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

6.2.3 Revised Estimate (RCE-II) for

**A . New/Expn/Extn Project sanctioned by Coal India Limited from 01.04.2012 to 31.12.2012**

Sl No	Project	Company	Date of Approval	Sanctioned Capacity (MTY)	Sanctioned Capital (₹Crore)
1	Chinchala-Chikhalgaon Amalgamated OC (Cost Plus Basis)	WCL	12.12.2012	3.00	1176.13
2	Sonepur Bazari Comb Seam OC	ECL	07.08.2012	8.00	1055.05

**B . New/Expn/Extn sanctioned by the Subsidiary Coal Companies from 01.04.2012 to 31.12.2012**

Sl No	Project	Company	Date of Approval	Sanctioned Capacity	Sanctioned Capital
1.	Scheme of Diversion of Amb River Phase-IV at Umrer OC	WCL	27.07.2012	2.00	61.11

C. No RCE/RPR/UCE sanctioned by Coal India Limited from 01.04.2012 to 31.12.2012

D. RCE/RPR/UCE sanctioned by the Subsidiary Coal Companies from 01.04.2012 to 31.12.2012

Sl No	Project	Company	Date of Approval	Sanc Capacity	Sanc Capital
1	Baroud OC Expn RCE	SECL	18.04.2012	3.00	258.56
2	RCE of KATHARA OC	CCL	1.10.2012	1.90	128.94
3	Urdhan OC (RCE)	WCL	11.10.2012	0.50	70.23

E. New Project sanctioned by Singareni Collieries Company Limited from 01.04.2012 to 31.12.2012

Sl No	Name of the project	Company	Date of sanction	Sanctioned Capacity (MTPA)	Sanctioned Capital (₹ crores)
1	RG OC II Extn.	SCCL	29.06.2012	2.0	365.01
2	KK OCP	SCCL	24.07.2012	1.75	417.33

## F. RFR sanctioned by SCCL Board from 01.04.2012 to 31.12.2012

SI No	Name of the project	Company	Date of sanction	Sanctioned Capacity (MTPA)	Sanctioned Capital (₹ crores)
1	Manuguru OCP RFR	SCCL	10.11.2012	1.50	430.14

6.2.4 As on 31.12.2012, out of total 732 mining projects in CIL, costing ₹ 2 Crore & above, 439 projects stand completed (including projects which are merged, completed and merged, foreclosed & where coal reserve have since been exhausted), 148 projects are under various stages of implementation (excluding 13 projects approved on Cost plus basis & 1 Project taken up as Advance action) and remaining 131 projects have either been shelved or withdrawn. In Singareni Collieries Company Limited (SCCL), Out of total 142 mining projects (costing ₹ 2.0 crore and above), 56 projects are closed /dropped/merged/foreclosed, Out of remaining 86 projects, 62 projects completed, 11 projects are on schedule, 12 projects are delayed and 1 proposal for dropping is due for Board's approval.

6.2.5 As on 31.12.2012, 116 mining and 13 non-mining ongoing projects, costing ₹ 20 Crores & above, are under implementation in CIL. Out of these,

59 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 in SCCL. Out of these 28 projects, 15 projects (11 mining and 4 non-mining) are on schedule, 12 mining projects are delayed and 1 mining project is proposed for dropping.

### 6.3 MAIN REASONS FOR SLIPPAGE IN THE IMPLEMENTATION OF PROJECTS

- Delay in acquisition of land and associated problems of rehabilitation.
- Delay in grant of Environmental & Forest Clearances.
- Delay due to adverse geo-mining condition.
- 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) CIL has approved a new Rehabilitation & Resettlement Policy in Mar'2012 wherein the subsidiary companies have been granted greater flexibility in redressing 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 geo-physical 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.
  - 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.

- ❑ Mandatory review of the projects is carried out at company level when the expenditure of the project exceeds 50% of the sanctioned capital.
- ❑ Projects costing ₹100 crores & above are also reviewed in CIL Board by exception.
- ❑ Progress reports in respect of projects costing ₹100 crores & above are also submitted to Department of Programme Implementation regularly.
- ❑ Department of Programme Implementation regularly monitors the implementation of projects costing ₹150 Crores and above.
- ❑ 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 Government corporations of concerned, in acquisition of land, is highly important. 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.



A broad view of a coal face with Large Dragline in over burden removal operation, green plantation over OB Dumps seen in the backdrop

## 6.6 LIGNITE PROJECTS UNDER 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 estimates of the project of ₹4749.50 crore was approved in June, 2007.

6.6.2 In respect of TPS-II Expansion project, Unit-I was synchronized with oil and

lignite on 27.06.2011. Unit-I which was under shutdown from March, 2012 was synchronized on 8th November, 2012, after attending the refractory modification works and coil punctures. Unit-I is under shutdown since 25th November, 2012 to attend to refractory damage in Seal Pot 2. Damages also noticed in Fluidized Bed Heat Exchanger Coils and Spacer rods. This is being analyzed and to be modified by M/s. BHEL. With respect to Unit-II

- erection/rectification activities, refractory modification activities are in progress.
- 6.6.3** A coal based Thermal Power Project at Tuticorin (1000 MW) was sanctioned in May, 2008 with a cost of ₹4909.54 Crores. 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, Fans and mills are in progress. Turbo Generator erection in respect of Unit-I commenced on 10th July 2012. Boiler Hydraulic test was completed on 10th October, 2012 for Unit-I and on 21st November, 2012 for Unit-II. Condenser mechanical erection for Unit-I is in progress and Unit-II is yet to be started. Commencement of Turbo Generator erection in respect of Unit-II by M/s. BHEL is awaited.
- 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 removal and lignite production have 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 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. Retendering activities for Steam Generator Package is 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 2013.

be sanctioned by Coal India from January,2013 to March, 2013 are as under :-

A. (i) New/Expn/Extn Projects likely to

Sl No	Name of the Project	Company	Est Capacity (MTY)	Est Capital (₹ Crores)
1.	Lohapatti UG	BCCL	0.35	167.24

(ii) New/Expn/Extn Projects likely to be sanctioned by the Subsidiary Coal Companies from January,2013 to March, 2013 are as under :-

Sl No	Name of the Project	Company	Est Capacity (MTY)	Est Capital (₹Crores)
1.	Introduction of LHCM at Godhur Colliery	BCCL	0.18	To be borne by the Bidder
2.	Sanghmitra OC	CCL	20.0	
3.	Topa Pindra OC	CCL	5.25	
4.	Aswa OC	CCL	1.0	
5.	Gokul OC	WCL	1.0	342.76

B. RCE/RPR/UCE likely to be sanctioned subsidiary coal companies from January to March,2013

Sl No	Project	Company	Sanc Capacity (MTY)	Sanc Capital (₹Crores)
1.	RCE of Mahan OC	SECL	0.36	148.72