

CHAPTER VI

COAL PROJECTS AND LAND MANAGEMENT

PROJECTS SANCTIONED DURING 2002-03 TILL 31.12.2002

6.1 During the year 2002-03, *no new* project has been sanctioned in the coal sector by the Government till 31.12.2002. The list of Revised Project Reports (RPR)/Revised Cost Estimates (RCE)/Foreclosure etc. sanctioned by Government is given below:-

Sl.No.	Name of the project	Company	Capacity (Mty)	Capital cost (Rs.Crs)
1.	Jambad OC, Foreclosure	ECL	0.26	35.03
2.	Satgram UG, RPR	ECL	0.51	118.87
3.	Khottadih UG+OC Foreclosure	ECL	0.87	378.51
Total			1.64	532.41

6.2 The list of new Projects / Revised Cost Estimates sanctioned by Coal India Limited and coal companies under the delegated powers is given at **Annexure -I**.

6.3 Up-to-date position of projects each costing Rs.2.00 Crs & above sanctioned since nationalization and up to 31.12.2002 is as under :

MINING PROJECTS

Company	Costing				Sanctioned Cost (Rs.Crs.)	Ultimate Capacity (MTY)
	More than Rs.100 Crs. (No.)	Rs.20 - 100 Crs. (No.)	Rs.2 - 20 Crs. (No.)	Total (No.)		
ECL	5	6	44	55	3336.77	35.75
BCCL	3	5	58	66	1465.40	30.47
CCL	5	11	47	63	2708.38	55.14
NCL	7	8	3	18	5330.94	50.60
WCL	1	36	57	94	2734.39	44.70
SECL	3	36	50	89	2925.57	66.62
MCL	7	8	7	22	1917.64	45.67

CIL	31	110	266	407	20419.09	328.95
SCCL	8	29	38	75	3973.97	43.284

6.4 As on 31.12.2002, out of total 407 mining projects of Coal India Limited (CIL), each costing Rs. 2.0 crores and above, 327 projects stand completed (including projects where coal reserve have since exhausted). Out of remaining 80 projects under various stages of

implementation, 47 are on schedule and 33 are delayed. In Singareni Collieries Company Limited (SCCL), out of total 75 mining projects, 48 projects have been completed. Out of the remaining 27 projects 24 are on schedule (1 project is ahead of schedule) and 3 are delayed. The Company-wise position is as follows :

Company	Total No. of projects	No. of Completed projects	Ongoing projects		
			Total	On Schedule	Delayed
ECL	55	43	12	5	7
BCCL	66	60	6	-	6
CCL	63	45	18	2	16
NCL	18	12	6	6	-
WCL	94	80	14	14	-
SECL	89	68	21	18	3
MCL	22	19	3	2	1
CIL	407	327	80	47	33
SCCL	75	48	27	24	3

6.5 STATUS OF PROJECTS MONITORED AT THE GOVERNMENT LEVEL

At the Govt. level projects each costing Rs. 20 Crores and above are being monitored. As on 31.12.2002, there are 69 such projects under implementation in Coal India Limited (CIL) and Singareni Collieries Company Limited (SCCL). Summarized position of these 69 on-going projects is as follows:-

Company	No. of projects	Sanctioned Capital (Rs.Crs)	Production capacity (MTY)	No. of Projects on schedule	No. of Projects delayed
CIL	51	6242.83	45.66	38	13
SCCL	18	671.44	10.07	18	-
Total	69	6914.27	55.73	56	13

6.6 Details of projects, company-wise, costing Rs. 20 Crs. and above in coal sector as on 31.12.2002 are given in **Annexure-II**.

6.7 MAIN REASONS FOR SLIPPAGE IN THE IMPLEMENTATION OF PROJECTS ARE :

- (i) Delay in acquisition of land and associated problems of rehabilitation,
- (ii) Delay in supply of equipment and turn-key execution,
- (iii) Delay due to adverse geo-mining conditions and
- (iv) Shortage of funds and other miscellaneous reasons.

6.8 STEPS TAKEN TO IMPROVE PROJECT IMPLEMENTATION

- a) **Land acquisition and rehabilitation :**
 - i) Vigorous follow up action with land acquisition officials of State Govts. are being actively done to expedite acquisition proceedings.
 - ii) Regular meetings with State authorities viz. Land Revenue Commissioner, LR Secretary and Chief Secretary are held to sort out the acute problems.

- iii) To overcome the problem of acquisition of land, forestry and environmental clearance, "Advance Action" for projects costing Rs. 100.00 Crs. and above are being sanctioned up to Rs.20.0 Crs. in each case to help initiate processes involved for various clearances before sanction of the project by the Government.
- b) **Equipment supply and turn-key execution** : Regular follow-up with the representatives of the public sector mining equipment manufacturers through measures like :
 - Posting of coal company officials at the works for expediting the supplies.
 - Frequent Director/CMD level discussions.
 - Regular review meetings at Secretary level where representatives of concerned Ministries / Departments are also present.
- c) **Geo-mining constraints**: Sophisticated geological and geo-physical exploration techniques adopted for advance forecasting of geo-mining conditions.
- d) **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 Ministry of Coal.
 - iii) The system of monitoring at various levels has been standardized.
- e) **Guidelines by the Govt. on specific measures to cut delays in implementation of projects.**

A Group of Ministers (GOM) was constituted under the directive of the PM in February,1994 to suggest specific measures to cut delays in implementation of projects. The Group submitted its report. Main recommendations were identification of projects for shelving or transferring to Joint/Private sector and reprioritisation of projects in view of resource constraints. The Govt. has accepted these recommendations. Ministry of Statistics and Programme Implementation is coordinating with all the concerned Ministries for implementation of these decisions. On the advice of the Ministry, coal companies are taking further necessary action.

6.9 Assistance required in Project Implementation

- i) State Government should share the responsibility of acquisition of land along with Coal Companies.
- ii) Responsibility of acquisition of forest land should be restricted to payment of afforestation charges etc. only by the Coal Companies.
- iii) Public sector equipment manufacturers to ensure timely supply and commissioning.

LAND MANAGEMENT

Status of land acquisition under the C.B.A Act, 1957.

6.10 Acquisition proceedings under the Coal Bearing Areas (Acquisition & Development) Act, 1957(CBA Act). are undertaken by the officials of the company. Underground as well as surface un-worked/virgin coal bearing land can be acquired under this Act.

PROBLEMS OF LAND ACQUISITION.

6.11 Delay in acquisition of land is one of the major issues which leads to time and cost over run of the coal projects. A number of factors may be attributed to cause delay in acquisition of land. Some of them are mentioned below:-

Tenancy Land

- State Govt. maintains the land records which are the primary requisite for preparing the land acquisition proposal. These land records commonly known as Record of Rights(ROR) are often found not updated causing problem in ascertaining the actual ownership and title of the land.
- Delay occurs in processing the acquisition proposals at various levels of the State Govt. and preliminary notification after completion of all the formalities such as joint measurement, scrutiny of the proposal etc. takes considerable time.
- Resistance is often offered by the tenants on the demand of employment which is beyond the norms of the company at the time of taking delivery of possession of land although required statutory provisions are fully observed.

Govt. Land

- Authentication of Govt.(GMK) land by the State Govt. is required to ascertain the actual ownership of the area. Authentication work is carried out by the concerned Circle Officer of the District and its delay affect the acquisition process
- Dispute about ownership of land between the Revenue and the Forest Deptt. in some cases delay the transfer.
- Possession of Govt. land sometimes could not be taken due to large scale encroachment over such land. State Govt. is required to transfer the land free from all encumbrance.

Forest Land

- Proposals for diversion of forest land for non-forest purpose have to pass through various channels of the State as well as the Central Govt. Long chain of processing delays the completion of diversion of forestry proposals.
- No objection certificate is to be issued by the State Govt. for processing the acquisition of land recorded as Jungle-Thar /Chote Jhar , Bare Thai ki Jungle under the Forest Conservation) Act 1980. Concerned DC issues the NOC. Delay takes place in issuing NOC.
- Considerable delay takes place in handing over the forest land after its release by - the Centre/State Govt. A time frame for giving possession of the released land is required.

6.12 Company-wise position of acquisition of All Rights & Mining Rights under the CBA Act since Nationalization to December 2002 is given below:-

Company	Area Acquired (in Ha.)		
	All Rights	Mining Rights	Total
ECL	3897.78	74.87	3972.65
BCCL	NIL	534.97	534.97
CCL	33344.13	500.47	33844.60
WCL	9807.27	26554.95	36362.22
SECL	7561.06	53236.21	60797.27
MCL	16431.32	4083.15	20514.47
NCL	13874.00	NIL	13874.00
TOTAL:	84915.56	84984.62	169900.18

LIGNITE SECTOR

PROJECTS:

6.13 No major projects have been sanctioned during the year under report. However, Advance Action proposals for the following projects have been approved by Ministry of Coal in March '99 for incurring expenditure on preliminary activities:-

1. Mine-II Expansion from 10.5 MT to 15 MT of lignite per annum.
2. T.P.S-II expansion by adding 1 unit of 500 MW raising the capacity from 1470 MW to 1970 MW. (now proposed for 2 x 250 MW)
3. Mine- III - 12 MT of Lignite per annum (now proposed for 8 MTPA)
4. T.P.S- III - 3 x 500 MW capacity (now proposed for 1000 MW)

Rajasthan Project:

(Mine – 2.1 MTPA and Thermal Power (2 x 125 MW)

6.14 A Memorandum of Understanding for development of lignite deposits, their mining and lignite based power generation project in Barsingsar, Bikaner District of Rajasthan was signed between Govt. of Rajasthan, Ministry of Coal & Mines, Department of Coal and NLC on 10th June, 2002.

6.15 An Inter-Ministerial Group has in its meeting held in November, 2002 recommended the Barsingsar Lignite Mining-cum-Thermal Power Project for investment decision. Environmental clearance for the project has been obtained from Ministry of Environment and Forests in December, 2002.

6.16 Details of projects costing Rs.20 crores and above in respect of NLC as on 31.12.2002 is given in **Annexure – III**.

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